THE FINANCIAL POST

The Canadian Newspaper for Investors

VOL. XIII. Single Copies, 10 Cents PUBLICATION OFFICE: TORONTO, MARCH 1, 1919 Annual Subscription $3.00. No. 9

PLATES LEADING REDUCTIONS IN STEEL MARKET

Level Has Been Dropped From Six to Five and a Half Cents

AFTER NEW BUSINESS

Opinion of Big American Producers That Lower Prices Would Be Justified if They Brought Out Buyers

By A. R. KENNEDY
Editor, "Canadian Machinery"

In the FINANCIAL POST last week it was stated that prices on steel plate would probably move from their six cent level before many days. The move has been made, and the price is now 5½c per pound. This is still a little on the high side, and it may be that another reduction will be possible before long. The bringing in of U. S. plate based on the new price of three cents at U. S. points has a tendency to bring down the average price of all the material of that character in the warehouses here, and buyers will soon be getting the advantage of any reductions that are made.

The matter of prices is engaging the attention of the U. S. mills to a greater degree than ever. There is a feeling that prices at a lower level might tempt some buyers to enter the market, and even if the bait did not get many, any new business at all would be very acceptable at the moment. Operations are falling so far behind capacity at many of the plants that it will not be long before some of the mills are facing a situation where they will have to curtail. As stated before the ushering in of cheaper rates brings up the entire matter of labor costs, a proposition that all the companies prefer handling from long distance.

From what the mills report one could hardly estimate that current bookings are equal to 20 per cent., perhaps not 15 per cent. of the capacity, yet mill operations are, as a rule, ranging from 60 to 80 per cent. of capacity. The explanation of the divergence is that the mills are running chiefly on old orders, but as these old orders are running out rapidly there would soon be practically no work for the mills. When a mill operates at 60 or 70 per cent. of capacity the cost per ton is much above normal, but when it operates at less than 40 per cent. the cost is intolerable, so something will have to be done.

Reductions on the Way?

Rumor has it according to the Pittsburgh correspondent of the FINANCIAL POST, that the steel producers have about made up their minds that substantial reductions, not like those of say $4 or $5 a ton last December, will have to be made, and should be made before the regular period of spring buying. It appears to be a common opinion that the lead in making reductions should be taken by one of the independents rather than by the Steel Corporation, and the prediction is that reductions will be announced the middle or latter part of March. One guesser makes it that the reduction on merchant steel bars will be $14 a net ton, from $2.70 to $2.00, but that represents the extreme of the guesses.

It has been the desire of the mills to avoid any moves towards wage reductions, both because it is not considered fair to reduce wages until there has been a substantial reduction in the cost of living and because of the existing labor unrest. Just how extensive is this unrest is a matter of doubt, some observers claiming it is serious, others that it is not. It is all opinion, there being no important concrete facts upon which to base a conclusion. An item of interest in this connection, however, is the fact that three merchant blast furnaces in the Shenango valley, each acting by itself, put the matter of wages before their men, saying they could not continue to pay time and a half for overtime according to "the basic eight-hour day" principle adopted by the iron and steel trade generally last October, and giving the men time to decide whether they would prefer to work eight hours a day or 12 hours, at the straight hourly rate, and without any confusion the men decided to work 12 hours at the straight rate.

Ottawa Considers Tariff and Revenue

THERE have been several developments during the week to confirm the views and information which THE FINANCIAL POST has recently been publishing with regard to the tariff situation. Mr. Carvell, speaking for the Government, explained that there is a big problem to provide the funds necessary for the carrying on of national affairs and that instead of cutting off sources of revenue it is more important that others should be developed. Mr. Calder intimated that the West will not force the tariff issue until other problems are solved. And the Toronto *Globe* discovered, to its astonishment, to judge from the "scare" heading, that there are manufacturers who are willing that the 7½ per cent. war tariff should be removed.

As Sir Joseph Flavelle told the shareholders of the National Trust Company this week, "The world has a rough time ahead in the adjustments which are inevitable." It is a matter for relief, then, that the Government is realizing the seriousness of the financial problems ahead and that, as we have always believed, the opposing factions of high and low tariff—the East and the West—would fight intelligently, if strenuously, on the tariff issue and would be willing to compromise in the national interests, which are becoming more and more understood.

Mr. Carvell's announcement paves the way to a budget which will no doubt contain some drastic measures of taxation in order that we may meet our national war and other financial needs. Mr. Calder's statement indicates that in view of this situation the West will not press its claims. As for the attitude of manufacturers on the 7½ per cent. war tax, THE FINANCIAL POST has frequently pointed out that they were never responsible for it, and as a body would probably have voted against it. If there is an argument from their standpoint that it should be continued for a time it is that wages may be maintained so far as possible and war-to-peace adjustments effected with the least disturbance, and that in order to effect this there should be a Tariff Commission appointed or other means taken to provide an intelligent fiscal system which will take into consideration the individual problems of our industries.

Filling the Vacant Liberal Chair

OTTAWA—The Liberal "rump" in Parliament has gone from the sublime to what is almost the ridiculous. At the first caucus of the session they deliberately, and serenely, selected D. D. McKenzie, as successor to Sir Wilfrid Laurier, as leader in the House. As the choice of a leader, even a temporary one, of one of the great political parties, which may be directing the policy of the country to-morrow, is of vital interest to the business men of Canada, it may be of interest to them to know just how this came about.

With the sudden death of Sir Wilfrid Laurier, the Liberals found themselves confronted by a puzzling situation. Practically all their big men were sitting on the other side of the House or, like Hon. W. S. Fielding, on the cross benches, with his conscience on one side and his heart on the other. A large contingent came from Quebec, almost as much intent on choosing a new leader as on burying the old one. They had several alternatives to propose; but one thing they were decided: they would not have Fielding. He had made some slight and indefinite reference to the "situation in Quebec" which was taken by the members there as derogatory; and the word had gone forth in "Le Soleil," which is looked on as Sir Lomer Gouin's personal organ, that he would not do. When Mr. Fielding saw that he is understood to have said to his friends who were urging him that he was the logical successor to Sir Wilfrid, that with that sentiment in Quebec, his selection would mean trouble.

The Liberal party in the House was not warm for Fielding. There is a deep feeling of resentment against every Liberal who supported conscription; and they argued that they could not call to their caucus any man who had not only not attended their caucuses, but had been present at the caucuses of the Government, even if he had not taken any active part in them, and had always showed plainly enough where his heart was. The Quebec wing came to Ottawa stongly opposed to Fielding. They mentioned Mackenzie King; but they centred on D. D. McKenzie; and they succeeded in "putting him over." That is the only way to express it; because no one is more aware than the new House leader himself that he is not qualified for such a serious and difficult undertaking. So Quebec at this juncture, while astutely refraining from mentioning a French Canadian as a leader, dictated to the Liberal party who the leader should be.

Unionists and Quebec Opposition Pleased

Unionists in the House, and even more noticeably, those of them who were formerly Conservatives, make no attempt to restrain their satisfaction at the choice. What satisfaction there is, in fact, seems to be with them and with the Quebec contingent of the Opposition. The victory of the latter, apparently, consists not so much in the fact that they have forced McKenzie on the party, as that they have forced Fielding out of it—temporarily.

As for the new leader himself, while there is not much that can be said of him as a leader of a party, we can concentrate on his personal qualities, and admit that he is a likable Scotchman from Cape Breton. His debut as leader was not a brilliant effort, being marred by the reading of a long extract in praise of Laurier by some English journalist; which, though in print, the reader seemed to have difficulty in making out. In fact, it was only the eloquent and touching tribute of Lemieux, though it was delivered in French, that did anything like justice to an occasion which aroused the inevitable reflection: "Ah! how Laurier would have handled this!"

There is Still a Vacant Chair

It is painfully evident in a double sense that Sir Wilfrid Laurier's chair is vacant. Those members of the Union Government who are strongest for its continuance—those who were formerly Conservatives—could, of course, see only one logical move for the Opposition to make; and that was to offer the leadership to Fielding. One of them, at least, expressed the faint hope that the Opposition would make the obvious tactical error of choosing someone else, and excluding their best bet; but he added that it was almost inconceivable that they should do so. Nevertheless, they did. Mr. Fielding had no ambition for the leadership, either temporarily or permanently; but had it been unanimously offered him, he would have accepted it for the session. With the fine spirit which has always characterized him in politics, he has responded to the new situation by moving his seat from the cross-benches to a position on the Liberal side of the House, though not the most prominent position. This may be taken as an indication that he is prepared to co-operate rather more with the Opposition than with the Government.

From the business-man's point of view, some more experienced and astute leadership of the Opposition than that of Mr. McKenzie would be desirable. He lacks a deep, or any insight into the business-man's problems; he may take the opportunity to strengthen his hold on the leadership by some radical course which would precipitate an undesirable tariff fight, something which the Government will certainly not invite.

A Rowell-Murray Combination Rumored

Premier Murray, of Nova Scotia, who is credited with being a very astute politician, was much in conference with various shades of political opinion while here at Sir Wilfrid Laurier's funeral. There is a story, for which I believe there is some foundation, that he was approached by Hon. N. W. Rowell, with a suggestion for a combination of forces. The latter is understood to have said that he could deliver Ontario to the Liberal party, if Murray would handle Quebec and the Maritime Provinces, with Rowell, of course, as leader. Murray is known to have favored Fielding as Leader for this session, with the final choice to be settled by the national Liberal convention.—T. M. F

DOMINION AND SCOTIA STEEL AT CROSS PURPOSES

Big Companies Lock Horns on Question of Coal Rights

IT IS SCOTIA'S MOVE

Available Coal Resources Are Being Exhausted — Working Arrangement or Amalgamation Would Clear Air

By Staff Representative

HALIFAX.— Much interest has been aroused by statements made by Minister of Mines Armstrong to the Canadian editors here a few days ago in which he touched upon the coal deposits, especially the submarine areas, around this province. He said in part:

> Many of our valuable deposits are under the sea. Obviously, the extent of these measures is difficult to determine. In each of the four well known coal basins in Cape Breton County, around Sydney Harbor, the various seams dip from the land out under the Atlantic Ocean with wonderful regularity. Many of the mines of the Dominion Coal Co., and of the Scotia, are being operated under the sea, in some instances probably 2 miles from the shore. When it is known that submarine coal areas are to-day being successfully extracted at a distance of over 5 miles from the shore, and as the fringe of our areas is but touched, the possibilities are enormous. The problems of extracting this coal from an engineering standpoint is an interesting one. The key to the development of these areas is naturally dependent upon the contiguous land areas.
>
> As the development of these undersea areas proceeds it is becoming apparent that the policy pursued in the past of laying these areas out on the same principle as that applicable to land areas, is open to challenge. Unless arrested and altered the future development and operation of some of these areas will be difficult and economically impossible.
>
> These difficulties were not foreseen at a time when the value of these areas was less appreciated than to-day. The conservation of these valuable deposits is essential in the public interests, and only the very strongest of reasons should be admitted to prevent the application of a speedy remedy. This applies more directly to the submarine areas off Sydney Harbor than elsewhere. It may be necessary to review and re-survey this whole territory and re-adjust existing lines and boundaries in such a way as to ensure such a disposition of these areas as will guarantee the future extraction of this coal, upon the most natural, equitable and scientific lines possible. The time has probably arrived for some such action. It can be accomplished I have no doubt, without inequitably disregarding or unfairly disturbing existing interests or rights.

The Situation To-day

As matters stand to-day the properties of Scotia and Dominion are crossed and recrossed in a most surprising way both in coal and iron lands. Coal mining is referred to principally here, because the iron properties are for the most part in Newfoundland. As things are now it is possible for each company to block the other in the taking out of coal, and it looks as though the Scotia property were almost stalled now, as they are working right along limits of Dominion surveys. The feeling among many people who have nothing more than the interests of the whole community at stake is that there are many good reasons why there should be a working arrangement, if not an amalgamation, between these companies. There are many physical reasons why such an arrangement would be to the benefit of both parties.

For instance if the Scotia people undertake now to mine the submarine area outside Sydney harbor they will be under the necessity of building a railway to a docking plant to get shipping facilities for their coal. If the Dominion people intend to go ahead and work out their submarine properties they will have to do practically the same thing. Then there is the old report of the "fault" that runs under Sydney harbor. It is hard to tell how this would affect the two properties. Unless there is some working arrangement made in regard to taking the coal from these various submarine areas it looks as though the overlapping of work and equipment would result in a high priced coal, so high in fact that it could hardly be put in the market at a commercial rate to meet competition and keep down to former figures.

Again, there is occasional talk of a revival of the movement for a merger between Scotia and Dominion.

Continued on page 5

NEW MANAGERS FOR POLSONS

R. J. Cluff and M. Forbes Will Assume Executive Control

More profitable operation of the Polson Ironworks, Toronto, may be expected following slight changes now taking place in the management. A joint general managership is being arranged. Col. J. B. Miller is relinquishing the position of general manager, but continuing that of president. His place will be filled by two energetic executives, R. J. Cuff. of Toronto, and M. E. Forbes, of Dayton, Ohio. Mr. Forbes has up till the present been vice-president and general manager of the Dayton, Ohio, Production Company.

Except for this change in personnel affecting the active management of the company's business, there is no alteration in administration of the Polson Ironworks. Any suggestion that there has been a change of ownership of the plant is emphatically and authoritatively denied.

GOOD RECORD OF PENMANS WAS CONTINUED IN 1918

Volume of Business and Profits Showed Big Increase

STRONG POSITION

Reserve of $2,500,000 and Surplus of $850,000 Make Strong Background For Company's Dividend Policy

The annual statement of Penman's, Limited, for 1918 not only sustains the reputation of that company as one of the most substantial of Canada's industries, but provides ample justification for the dividend policy followed, which has been responsible for an increase in the rate for the common distribution from 4 to 7 per cent. since 1915—a bonus of 1 per cent. being paid in 1916 and 1918, with an advance to 6 per cent. early last year, and to 7 per cent. last month. The profits amounted to $1,358,331 as compared with $1,135,742 in the previous year, an increase of $221,589, while the common dividends paid amounted to $161,296, compared with $107,530, an increase of $53,768. At the same time, despite the fact that in addition to heavy provisions for depreciation and $500,000 for reserve, $355,169 was paid in war taxes, and there was still available a surplus of $42,300 to add to the previous balance, making a total of $850,167. In addition to this very comfortable margin, the shareholders can find reason for confidence in the reserve, which now totals $2,500,000 and compares with an issue of $2,150,600 of common stock and $1,075,000 of preferred. The bond obligation is $2,000,000.

The statement of profit and loss shows that on sales of $8,648,382 the gross earnings were $1,953,643, compared with $6,896,496 and $1,671,105 respectively in the previous report. On increased business of $1,751,886, income increased $282,538, while operating expenses increased from $35,-362 to $595,312, or $57,950. Net earnings of $1,358,331 showed an increase of $222,589. Following are comparative figures for the past three years, showing manner of distribution:

	1918	1917	1916
Sales	$8,648,382	$6,896,496	$5,840,127
Profits	1,358,331	1,135,742	864,779
Deprec.	121,160	120,223	26,026
Balance	$1,237,171	$1,015,518	$ 838,753
Bond interest	100,000	100,000	100,000
Net earn.	$1,137,171	$ 915,518	$ 738,753
Pref. div.	64,500	64,500	64,500
Balance	$1,072,671	$ 851,018	$ 674,253
Com. div.	161,295	107,530	107,530
Balance	$ 911,376	$ 743,488	$ 566,723
Patriotic	13,907	16,300	10,000
Balance	$ 897,469	$ 727,188	$ 556,723
War tax	355,169	91,813	104,129
Surplus	$ 542,300	$ 635,375	$ 452,593
To reserve	500,000	500,000	400,000
Balance	$ 42,300	$ 135,375	$ 52,593
Prev. surplus	807,867	672,492	619,899
Total surplus	$ 850,167	$ 807,867	$ 672,492

In addition to the fact that the balance sheet shows a total of surplus and reserve of $3,350,167, the fact that there has been an increase of $504,673 in surplus of liquid assets should also be of interest to shareholders. This increase largely reflects

Continued on page 4.

STOCK MARKETS ARE DISCOUNTING AN IMPROVEMENT

Their Action Forecasts a Steady Recovery in General Business

PLENTY OF WORK

Authorities in Touch With Labor Situation State That Unemployment Will Soon be Non-existent

While there continues to be a good deal of talk about restricted business, the action of the stock markets both here and in New York is such as to indicate that a steady improvement may be expected. The markets discounted peace months before peace became an established fact. They are now discounting that recovery in business which seems bound to occur as soon as the readjustment process has been completed.

The labor situation is not proving to be the formidable menace which was anticipated, and those in closest touch with the situation are predicting that within a short time now there will be work for all. It is being pointed out that the country is undermanned in any case. The heavy immigration of pre-war days is unknown. Instead, there is now going on a steady exodus of foreigners. While troops are returning in large numbers, there are many thousands who will never return. That there can continue to be any large number of unemployed under these circumstances is hardly credible.

Parliament and the legislatures of the various provinces are now busy grinding through legislation, which should result in a substantial increase in the demand for labor. Public works, housing, good roads, are all in prospect, and there are land settlement schemes that will give employ-

Continued on page 9

THE POST THIS WEEK CONTAINS

Page
St. John People Stirred by Talk on Bolshevism 2
Forgings Profits Showed Drop of Nearly $90,000 2
Business Being Neglected in Halifax Relief 3
Tax System is Unfair, Say Wholesalers 3
Net Earnings of Bell Telephone Down 4
Steamships in Strong Position, 21 Per Cent. on Common 6
Fourteen Banks Close Up Doors in Minnesota 6
Montreal Cottons Earned 14 Per Cent. on Common Stock 7
Specialized Training for Our Bank Men 9
Bankers Urged to Contend With Foreign Problem 9
Clarkson Report Not Yet Available (Editorial) 10
Manitoba's Mysterious Financing (Editorial) 10
Mystery Still Surrounds the Manitoba Sale 12
Big Investors Discuss Bond Sale Methods 13
Good Progress by the Canada National Fire 14
Fire Companies Show Declines in 1918 Business 14
People Appear to Have Plenty of Ready Money 16
Holden is Still for Repeal of British Bank Act 18
Railroad Income and Expense Under U. S. Govt. 19
Some Problems in Price Readjustment 20

The United States Post Office requires the following information on copies of this publication going to the United States:—
THE FINANCIAL POST, March 1, 1919, Volume XIII. No. 9. Published weekly at 143-153 University Avenue, Toronto, Canada, by The MacLean Publishing Company. Yearly subscription price $3.00. Entered as Second-class matter July 1, 1912, at the Post Office at Buffalo under the Act of March 3, 1879.

BANK OF MONTREAL
Established Over 100 Years
Capital Paid up, $16,000,000. Rest, $16,000,000.
Undivided Profits, $1,901,613.
Total Assets - - - - $558,413,546.
BOARD OF DIRECTORS:
Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq. Lord Shaughnessy, K.C.V.O. C. R. Hosmer, Esq.
H. R. Drummond, Esq. D. Forbes Angus, Esq. Wm. McMaster, Esq.
Lt.-Col. Molson, M.C. Harold Kennedy, Esq.
H. W. Beauclerk, Esq. G. B. Fraser, Esq.
Colonel Henry Cockshutt. J. H. Ashdown, Esq.
Head Office: MONTREAL.
General Manager—Sir Frederick Williams-Taylor.
Branches and Agencies { Throughout Canada and Newfoundland.
At London, England, and at Mexico City.
In the United States—New York, Chicago, Spokane.
San Francisco—British American Bank.
(owned and controlled by Bank of Montreal).

THE MERCHANTS BANK OF CANADA
Head Office: Montreal. Established 1864.
Paid-up Capital ....$7,000,000 Total Deposits (Oct., 1918).$132,000,000
Reserve Funds ....$7,437,973 Total Assets (Oct., 1918)..$165,000,000
President: SIR H. MONTAGU ALLAN, C.V.O.
Vice-President: K. W. BLACKWELL Managing Director: E. F. HEBDEN
General Manager: D. C. MACAROW.
Supt. of Branches and Chief Inspector: T. E. MERRETT
COLLECTIONS FOR BUSINESS HOUSES
This satisfactory service which The Merchants Bank renders to Business Houess, in the matter of collecting Notes, Drafts, and other financial paper, is due to the number and strategic location of its branches throughout Canada, and the efficient system in force.
Special attention is given to collections; returns are promptly made and credited; losses are often prevented by the care and thoroughness with which we do this part of our work.
236 Branches in Canada Extending from the Atlantic to the Pacific.

The Dominion Bank
HEAD OFFICE - - TORONTO
SIR EDMUND B. OSLER - President
W. D. MATTHEWS - Vice-President
C. A. BOGERT - - General Manager
THE LONDON, ENGLAND, BRANCH
Of the Dominion Bank at 73 Cornhill, E.C.
Conducts a General Banking and Foreign Exchange Business, and has ample facilities for handling collections and remittances from Canada.
347

UNION BANK of CANADA
Established 1865
HEAD OFFICE - WINNIPEG
Paid-up Capital .... $ 5,000,000
Reserve 3,600,000
Total Assets as at Nov. 30th, 1918, over.......... 153,000,000
John Galt - - - President
H. B. Shaw - - - General Manager
J. W. Hamilton, F. W. Crispo, Geo. Wilson, F. W. Ashe } Assistant General Managers.
This Bank, having 323 Branches in Canada extending from Halifax to Prince Rupert, offers excellent facilities for the transaction of every description of banking business.
Travellers' Cheques and Letters of Credit issued payable all over the world.
Collections made in all parts of the Dominion, and returns promptly remitted at lowest rates of exchange.
Attention is particularly drawn to the advantages offered by the Foreign Exchange Department of our London (England), New York and Montreal Offices and Merchants and Manufacturers are invited to avail themselves of the Commercial Information Bureaus established at these Branches.
New York Agency, 49 Wall St., New York City
W. J. Dawson, F. T. Short
CORRESPONDENCE SOLICITED

THE MOLSONS BANK
Incorporated by Act of Parliament 1855
Paid Up Capital - - - $4,000,000
Reserve Fund - - - - 4,800,000
Head Office, Montreal
Besides its 98 Branches in Canada, the Molsons Bank has agencies or representatives in almost all the large cities in the different countries of the world, offering its clients every facility for promptly transacting business in every quarter of the globe.
Edward C. Pratt, General Manager

THE STANDARD BANK OF CANADA
HEAD OFFICE - TORONTO
A GENERAL BANKING BUSINESS TRANSACTED
SAVINGS DEPARTMENT
AT ALL BRANCHES
EST'D 1873

ST. JOHN PEOPLE STIRRED BY TALK OF BOLSHEVISM

The "Globe" Endeavors to Identify Author of Article in "The Post"

THE POWER SITUATION

Usual Difficulties Encountered in Reaching Intelligent Basis to Discuss Interests of Public and Shareholders

By Staff Representative

ST. JOHN.—The article appearing in THE FINANCIAL POST headed "Attitude Toward Public Utilities is Bolshevism," and referring to the treatment which has been accorded to the New Brunswick Power Company, as outlined by a director of the concern, caused a stir in local public ownership circles. The St. John Globe, in an evident effort to narrow down the possibilities in solving the identity of the director-author, named the directors: L. R. Ross, F. R. Taylor, P. W. Thomson, H. P. Robinson, R. B. Emerson, of St. John; L. G. Gerry, Providence; and R. I. and W. C. McGregor of Boston, and suggested something in the nature of a progressive elimination program, as follows:

> The *Globe* leaves the solution of the riddle to its readers as a pleasant winter evening pastime. If that fails to bring a satisfactory answer, the question might go to the Board of Trade as the subject of an evening's debate. At least three of the directors of the Power Company are members of the Council of the Board and their contributions to a discussion on the subject would show whether or not it was necessary to look further for the author. The fact that two other members of the Council are members of the committee of one hundred citizens who are here described as conspirators in a Bolsheviki attempt to destroy capital, would give the proceedings such lively interest that a full attendance could be guaranteed. The fact that the President of the Board is a director of the Power Company should guarantee that "fair play" the company has had to fight for during fifteen months of the Bolshevism of "unthinking newspaper men and demagogues, supported by unthinking and shallow-minded reformers." Nice words these for a power company director to apply to the Mayor and other representative citizens of St. John.

Differences of Opinion

The Globe did not deal with the statement itself or attempt to justify the treatment accorded the company; it only endeavored to identify the author. On the point as to whether the company has had a square deal there is a distinct difference of opinion. In discussing the situation with THE FINANCIAL POST, the editor of another leading newspaper, which also supports the public ownership propaganda, summarized the situation with that simplicity and ease which becomes habitual with those who reach conclusions from superficial knowledge. He said it was simply a case where the company had acquired certain properties which had a real value and had combined them with others which were worthless or could only be regarded as potential assets. It was now endeavoring to sell out on a basis of valuation which included much water.

Leading business men of the city, however, do not regard the company's case in this light and say that the claims which are being advanced on behalf of the shareholders are entitled to more intelligent consideration than the public ownership enthusiasts are according them a state of affairs which is not confined to St. John, but which is a common condition where the interests of public utility corporation generally are concerned. It has already been pointed out in connection with the company's side of the argument that, as brought out recently at the investigation of the company's affairs, the total issues of securities of the different companies consolidated as the New Brunswick Power Company amounted to $5,179,010 as compared with a present capitalization of the consolidation of $5,049,000. The company's expert at the hearing submitted an appraisal of $3,670,806 and that of the city $1,575,859, it being proven, however, that the latter was not sound, one item overlooked involving $450,000.

The situation is one which requires intelligent handling and the difficulty seems to be to bring the opposing interests to a basis where they can talk "business." Usually the civic representatives in their desire as politicians to gain every advantage of a public sentiment opposed to corporations are to blame, but on the other hand the latter have not in the past in all cases shown a consistent desire to give efficient service at a reasonable profit. The public on the one hand and shareholders on the other are the losers.—J.W.T.

RAILROAD EARNINGS

Total Slightly Lower Than for Previous Week

Gross earnings of the three railroads for the third week of February amounted to $5,209,092 as compared with $4,179,702 for the corresponding period in 1918, a gain of $1,029,390 or 24.6 per cent. The Canadian Pacific earnings for the week totalled $2,729,000, a gain of $294,000 or 12 per cent. The Canadian National showed earnings of $1,505,872 or a gain of $444,291, while the Grand Trunk with a total of $974,220 showed a gain of $291,099 or 42.7 per cent. Following are comparative figures for the week:

	1919	Increase	%
C.P.R. ..	$2,729,000	$294,000	12.1
C.N.R. ..	1,505,872	444,291	41.9
G.T.R. ..	974,220	291,099	42.6
Total .	$5,209,092	$1,029,390	24.6

The Grand Trunk Pacific Railway reports gross earnings for the last ten-day period of January amounting to £26,085, against £28,741 for the corresponding period in the previous year, a decline of £2,656..

RIORDON ISSUE IS OFFERED IN CANADA

Balance of the $4,000,000 Issue Announced Some Weeks Ago Now on Sale

Details are made public this week of the offering by the Royal Securities Corporation in Canada of their portion of the issue of $4,000,000 6 per cent., ten-year, general (closed) mortgage sinking fund gold bonds of the Riordon Pulp & Paper Company. The rate for this balance, some $1,333,333, or one-third of the total, is 97 and accrued interest, yielding 6.40 per cent. and carrying a bonus of 15 per cent. of Kipawa Company common shares, or 1½ shares of stock with each $1,000 of bonds. This common stock bonus, it is announced, will be adjusted to an even amount by the purchase or sale of the fractional share at the rate of $25 a share.

The proceeds of the sale of these bonds will be invested in the Kipawa Company, which is under construction at Temiskaming, Que., and will consist of a bleached sulphite pulp mill with a capacity of 30,000 tons of pulp a year. It is expected it will be in operation by the end of the present year, and will work in with the two other pulp mills of the company.

Security Behind Issue

The relation of the Riordon Company to this Kipawa Company, and the security of the new bonds becomes now of the utmost importance in connection with this issue. The new bonds are subject to $2,028,500, outstanding of an issue of 6 per cent. first (closed) mortgage debentures. The new bonds are thereafter secured by direct mortgage on the Riordon assets, and in addition by a direct lien on 6 per cent. of the capital stock of the Ticonderoga Pulp & Paper Company, and at least $5,000,000 of preferred stock and a majority of the common stock of the Kipawa Company.

The Ticonderoga property came into prominence last year when it paid $649,200 in dividends on its common stock of $388,000. With a controlling interest in Ticonderoga, this disbursement, which it is understood, will be repeated to a great extent this year—was sufficient to meet all the bond interest on the new total of $6,028,500, with half as much remaining as a surplus.

Purpose of Issue

So far as the Kipawa Company is concerned, the issue of $4,000,000 bonds of Riordon's, is for the purpose of providing funds for building and developing the mills, and retaining control. The Riordon Company itself has been in successful operation for over 60 years, and last year raised its dividend rate to 10 per cent. straight.

B.C. ELECTRIC RAILWAY

On February 1st the B.C. Electric Railway Company made a reduction in North and South Vancouver and Point Grey's electric light rates of about one-half cent per kilowatt hour. All three of these municipalities are now enjoying a 7½ cent rate. The present reduction, officials of the company point out, is in line with the voluntary reduction which the company made last Christmas in the Vancouver city domestic lighting rates, when they were cut from eight to six cents. The present adjustment gives current consumers in the three adjacent municipalities a rate only 1½c higher than that in force in the city, despite the naturally higher cost of maintaining a service in a more sparsely settled community.

SOUTHERN CANADA POWER

During the month of January gross earnings of the Southern Canada Power Company and its subsidiaries amounted to $53,221, an increase of $10,334 over the same month in the previous year. Operating expenses and purchased power were higher by $3,855, while net earnings amounting to $26,569 showed a gain of $6,478. For the four months ending with January 31, the gross amounted to $197,869, a gain of $42,387, and net at $93,005, showed a gain of $23,124. Following are comparative figures:—

	Jan., 1919	1918	Inc.
Gross	$53,221	$42,886	$10,334
Oper. Exp. and Purchased Power	26,652	22,796	3,855
et Earn.	$26,569	$20,090	$ 6,478

FORGINGS PROFITS SHOWED DROP OF NEARLY $90,000

Earnings, However, Would Have Paid 40% on Common

$11,000,000 FOR WAR

Unique Record of Company—Equipped For Peace—10% Dividend From Delaney Plant

The annual report of Canada Foundries and Forgings was awaited this year with more than unusual interest as a result of the spectacular rise in the stock of a few months ago from 150 to 213, on various stories of huge bonuses to come from the sale of the Delaney plant in Buffalo. This sale did not go through, and instead, as the president, W. M. Weir, announced, the directors of that company had declared a dividend of 10 per cent. "Your investment in this company," Capt. Weir declared, "has proven to be all that was anticipated and the benefit derived by your company through an interchange of business is reflected to a considerable extent in the earnings of your corporation."

Thus for the present the connection rests where it was, and the 12 per cent. dividend was again declared a few days ago on "Forgings" as before.

The statement this year shows, as was the case with a number of plants engaged on munitions, that the peak was reached in 1917. Thus the net profits for 1918 were $600,000, compared with $689,769 in 1917, and $653,852 in 1916. The item of taxes also cut down net earnings in 1918 for an amount of $143,000 was called for to cover 1917, as compared with $99,000 in 1917 and $278,000 the previous year. This left the net surplus for 1918 at $451,824 as compared with $585,873 in 1917 and $372,436 in 1916 leaving the percentage available for common stock dividends in 1918 at $384,624 or 40.07 per cent. compared with $518,673, or 54.03 per cent. in 1917, and $372,436 or 31.7 per cent in 1916.

Surplus of $1,297,706

The profit and loss account shows a balance surplus of $1,397,706 as against $1,128,281 at the end of 1917 but a contingent account of $100,000 a new item, was established, reducing the profit and loss account for 1918 by that amount.

The figures compare as follows:

Profit and Loss

	1918	1917	1916
Net profits ...	$ 600,000	$ 689,769	$ 653,852
From invest. ..	11,161	5,817	5,999
T'l. income.....	$ 612,117	$ 695,586	$ 659,852
Deduct:			
Bond int.	17,207	10,478	8,762
Taxes, etc. ...	143,085	99,234	278,742
Net surplus ...	451,824	585,873	372,436
Prev. bal.	1,128,281	753,608	630,772
Total	$1,580,106	$1,339,481	$1,008,208
Pfd. div.	67,200	67,200	67,200
Com. div. .. .	115,200	144,000	182,400
Balance	$1,397,706	$1,128,281	$ 753,608
Contingent . ..	100,000	....	....
Surp. forward.	$1,297,706	$1,128,281	$ 753,608

Working Capital

The balance sheet shows comparatively few changes, the investments increasing from $536,901 to $695,751; inventories from $974,988 to $1,066,110, the bank account from $107,588 to $112,858. The liquid assets showed a slight increase, some $50,000, while current liabilities rose from $468,364 to $602,683, leaving working capital slightly less, $1,109,079, as compared with $1,195,208 in 1917.

Liquid Assets		
Inventories	$1,066,110	$ 974,988
Acc. rec.	599,568	634,753
Cash	46,084	53,731
	$1,711,762	$1,663,572
Current Liabilities		
Acc. pay.	$243,179	$247,816
Accr. liab.	243,646	117,960
Bank ind	112,858	107,588
	$602,683	$468,364
Bal. work. cap.	$1,109,079	$1,195,208

During the year bonds were reduced from $306,100 to $179,200.

Keen interest centered in the president's forecast as to the future,—on a peace basis. As to this he said:

> "Although up to the signing of the armistice, your plants were largely occupied in the production of munitions, it will be gratifying to the shareholders to know that for the year 1918 ordinary commercial business represented more than 40 per cent. of the company's total output, and an increase of over 100 per cent. on the previous year's total.
>
> "Orders on hand are sufficient to warrant the expectation that your several plants will be fully employed throughout the reconstruction period, after which time, it is the opinion of your directors, that there will be plenty of business for all plants organized and equipped as yours are."

The announcement was made that during the four years of the war the company had shipped $11,000,000 worth of shell forgings and shell parts, paying out $4,500,000 in wages. Out of 10,500,000 shell forgings the rejections were only 2 per cent.

This company holds the record, the president stated, of bringing the first steel order to Canada from the United States.

At the meeting held in Brockville on Tuesday, W. M. Weir was re-elected president, with J. Gill Gardner, vice-president, and J. H. A. Briggs, secretary-treasurer

MACHINE TOOL TRADE

Business Picking Up Now That War is Over

"We have done more business since the first of the year than we did for the same period last year." That is the way one of the largest machine tool firms in the city sized up the situation this week. "During the war we sold war machinery and little else. Other lines were excluded of necessity. People who did not want to buy them could not get deliveries because nearly every plant was on war work. To all intents and purposes the business we are doing now is regular peace time trade."

Another dealer, speaking of machine tool supplies, stated that more business had been booked in the last two weeks than in the preceding weeks back to the first of the year. Prices of high speed goods, instead of coming down a bit, show signs, according to announcements from some of the makers, of going up about 30 per cent.

MERGER RUMORS AND NATIONAL CAR

Report of Negotiations With American Car Has Direct Effect on Market

The report that negotiations are on for the disposal of the Hamilton business to the American Car & Foundry Co. has done more to put new life into the shares of the National Steel Car than anything that has happened for some time. It has been intimated at various times that some developments were likely, but there had been nothing allowed to escape that would give the market much to go by in advance. Common stock was selling around the first of the year at 5½, against a very recent quotation of 16. There is a large amount of deferred payments of earnings against the common stock. Preferred which at the start of the year sold at 20, is now trading around 55. On the preferred quarterly dividends of 1¾ per cent. were paid for the fiscal year ended November 30, 1916, but for the period since then, also for the three years ended November 30, 1915, dividends are in arrears.

The Montreal *Gazette* tells the following in connection with the rises in this stock:

> New York gossip often speaks of "advance information" to account for heavy selling on good news, and something of the sort appears to have happened in the local market. A short time ago a local house bought a fair amount of National Steel Car for a couple of its clients, who gave the reason that the stock was cheap and if it moved at all it might move upward. To-day, when the rumor spread that the company was to merge with the American Car & Foundry, and the preferred jumped from 33 to 47, these same clients strolled in and sold their holdings. It moved upward, all right, and the aforementioned holders weren't far away at the time. Sheer luck, of course.

A Hamilton report is to effect that Sir John Gibson admits that negotiations between National and American are in progress but the president of the Canadian concern would say nothing further. A price of $114 for the preferred and $25 for the common, with payments spread over a term of years, is mentioned.

NOVA SCOTIA STEEL

New Orders Not Sufficient to Warrant Opening Plant

Operations are still suspended at the steel making plant, and there are no indications that the plant will be started in the immediate future. The company has received orders for some railway work for the Canadian National Roads, for bolts, spikes, plates, etc. The trouble is that this order does not give enough tonnage to warrant opening up the plant. Business has to move almost to capacity for any steel plant to work to advantage, and officials of the company state that the business is not offering yet to that extent. One of the officers, speaking to the FINANCIAL POST, stated that the matter of prices was also a big item. He was convinced that these would have to move to a lower level, and such a step brought in the whole question of wages and production costs, which was a ticklish problem just now. Most of the trading in common is done at U. S. points, and it has been very quiet as a factor in Canadian dealing of late.

FELDSPAR MINES CLOSED

The feldspar mines in Frontenac, according to a press despatch, are practically closed down until spring, owing to the potteries and other factories having their orders curtailed. The effect was to cut off the suppy of thousands of tons of ore. Large numbers of men are thrown out of employment as a result.

BUSINESS BEING NEGLECTED IN HALIFAX RELIEF

An Additional $3,500,000 Required From Dominion Government

INTERESTS INVESTORS

A Number of Big Concerns With Many Shareholders Are Concerned—Charge Policy of Discrimination

By Staff Representative

HALIFAX—If the Dominion Government is not going to be party to discriminatory treatment of individuals as houseowners and other individuals as shareholders or partners in manufacturing and other business concerns and institutions, there will have to be a change of policy in connection with the administration of the finances of the Halifax Relief Commission. Up to the present time no consideration has been given to the claims of the latter class, aggregating about $3,500,000, and it will require that amount in addition to the amounts already passed in order to clear up the whole situation and relieve from the losses of war all citizens—property owners and investors—who suffered from a national catastrophe.

Some of the concerns which have large claims and in which investors are directly interested are Brandram-Henderson, Limited; Dominion Textile Company; Acadia Sugar Refineries; Nova Scotia Car Company; Richmon Paper Company and Consumers' Cordage Company.

On the occasion of the visit of the Canadian editors recently, when a tour of the devastated area was made to note the progress of the work of reconstruction and the upbuilding of a community to the standard of the ideals of town-planning experts, T. S. Rogers, K.C., the chairman of the Commission, gave to THE FINANCIAL POST some interesting information regarding the financing of the great undertaking.

Total Needed is $27,000,000

Up to date, the total funds available to the Commission have been $23,000,000, of which the $15,000,000 have been advanced by the Dominion. The total amount desired is estimated at close to $27,000,000 and the further sum, which the Ottawa Government will be asked to contribute to discharge all claims, will be $3,500,000. Of the $8,000,000 of the total already available, not acquired from the Dominion, the British Government gave $5,000,000 and $3,000,000 came from private sources.

Apart from providing for relief and temporary shelter during the first period following the disaster, the commission has given first consideration to pensions and disability losses on account of those killed, injured—about $3,000,000—and to the rebuilding of the individual homes. It has been in the latter connection and in view of the large area swept clear of buildings that town-planning ideas have been adopted on a large scale with model, modern dwellings and with roads, driveways and parks which are laid out to best meet the demand of through and local wheeled traffic, taking into consideration the natural contours of the ground.

Present Programme

The programme at present involves the building of 452 houses. The architecture of these structures is designed to work out a harmonious whole. Of the total, 326 are being constructed of hydro-stone, a concrete block with granite surface prepared under very high pressure and guaranteed to resist all moisture; of these, 186 are practically completed with work on the others under way. The wooden houses, 126 in number, are all practically completed.

The houses will be made available to those whose homes were destroyed and who will be credited on account with the amount awarded them on the properties lost. Houses will also be available for sale or for rent to others and in the cost of these there has been invested an amount that is credited to the pension fund. Easy terms of payment have been arranged, introducing, to some intent, the installment idea.—J. W. T.

DULUTH-SUPERIOR

The Duluth-Superior Traction Company reports gross earnings for the month of January amounting to $148,668 against $140,971 for the same month in 1918, a gain of $7,697. Operating expenses at $129,644 were higher by $17,358, while net earnings amounting to $19,024 compared with $28,684, a falling off of $9,660.

For the third week of February the earnings totalled $35,633 against $32,994 for the corresponding period in 1918, an increase of $2,638 or 8 per cent., while for the year to date the earnings total $253,387, a gain of $16,054 or 7 per cent.

N. S. SHIPBUILDING

Some Statistics Regarding Wooden and Steel Construction

By Special Representative

HALIFAX.—The requirements of the war brought about a remarkable revival in wooden shipbuilding, according to D. MacGillivray, past president of the Board of Trade, and in the war period it is estimated that 300 vessels, aggregating 200,000 tons carrying capacity, were built in Nova Scotia and added to the shipping resources of the Allies. Their value, when ready for sea, would be about $30,000,000. The usual number of all craft was, of course, turned out in addition to the above.

Steel vessels have been built in the yards of the Nova Scotia Steel and Coal Company, Limited, at New Glasgow, and the plant now being erected by the Halifax Shipyards, Limited, will be the best equipped Steel Shipyard in Canada, and when fully established will be able to completely construct a ship without going outside of the province for any part of her. It is ready to lay its first keel, and its programme contemplates turning out four ships of about 40,000 tons deadweight by the end of 1920.

WHAT WILL CEMENT DO WITH PROFITS?

Further Discussion of a Distribution to Shareholders Out of War Earnings

The article in THE FINANCIAL POST of last week in which reference was made to a proposal that is finding acceptance in some quarters for making some sort of a distribution of the profits of Canada Cement Company such as were due entirely to the munitions work during the war, has aroused a good deal of interest. This is heightened by the announcement that Frank P. Jones, general manager of the company, is sailing from England this week and will thus be in good time for the annual meeting of the Cement Company.

Those who argue for action of this nature point to the statement of the general manager last year that the company was at last free of "water," and that even with the small output, comparatively, during war time, the regular business was sufficient to meet the payments of the dividends. That business will steadily improve is admitted, and thus it is argued the company will not require the war surpluses. In a letter to their clients this week Thornton Davidson & Co., point out that the Cement Company is much better off financially through its munitions activity. They continue:

> A few years ago the general manager of the Company, when questioned regarding the distribution of profits on the munition business, indicated the desirability of distinguishing between the profits of different departments. He declared that the company would follow the practice of paying its dividends out of its profits in its cement department. the situation, therefore, is that the dividends of 6% per annum have been earned out of the manufacture of cement in the worst period ever experienced or likely to be experienced in the cement business, while the profits in the munitions business have been retained for the benefit of the shareholders.

They state further that they consider Canada Cement as one of the "most promising" of the "peace" stocks. Encouraging news came from all over Canada as to business that will be secured for this company, including public works of various kinds, buildings, roads, etc. Three million barrels of cement will be required for the Welland Canal alone. Then there are the sidewalks for the municipalities, and the housing programme of the Government.

In referring to increased orders for cement that have been coming to the company this year the circular states:

> It is worthy of mention also that these orders are at prices based on the increased cost of production, in this respect representing an improvement over a year ago. Hence, if profits of 1918 and the few previous years were sufficient to provide the 6% dividend, future dividends should be amply assured.
>
> It is understood that the Company came out of the munitions business with a liberal profit and that these profits are likely to be further increased through its investment in the old Delorimier Race Track grounds at a price considerably under present land values.
>
> In view of the foregoing, and with money becoming easier and the stock of the Company selling below the high point of either 1918 or 1917, it would seem that an investment in Canada Cement would return liberal profits ere a great length of time. We strongly recommend the stock to clients.

UNITED CIGAR STORES

Arrangements have been practically concluded, according to New York reports, for the taking over of the Loft Candy Co. by the United Cigar Stores Co. The negotiations were opened about two years ago but were dropped when the United States entered the war.

It is understood that the financial plan calls for the creation of a new company and that Mr. Loft will continue the active director of the candy business. Such an arrangement would undoubtedly carry with it valuable rights for the United stockholders.

TAX SYSTEM IS UNFAIR, SAY THE WHOLESALERS

It Bears Upon Business as Compared With Individuals

PROTEST TO OTTAWA

Grocers' Convention Will Support Movement to Oppose Renewal of Measure—The Bankruptcy Act

Henry Detchon, manager of the Canadian Credit Men's Association, spoke on the Bankruptcy Act and the Business Profits Tax at the annual meeting of the Ontario Wholesale Grocers in Toronto this week. The Act regulating the profits tax expired with December 31, 1918, and it was uncertain whether it would be renewed again even now that the House had met. Hon. Thos. White had been approached to find out whether it would be renewed or not but his answer was non-commital so that the association are going ahead with their plans to protect what they consider to be the interests of the trade. Limited companies are exempt up to 7 per cent. on the capital invested but partnerships are exempt up to 10 per cent. This was one of the inequalities he considered in the present Act.

Mr. Detchon maintained the Act was unfair to the manufacturer and wholesaler when the amount of tax he had to pay the Government was compared with the amount of Income tax payable on the part of an individual. He made it plain that the trade was quite willing to pay their just amount of taxes but that they wanted the plan of taxation put on an equitable basis.

Supposing, he said, a manufacturer had $100,000 invested in his business. Say his profit is $40,000. He would be exempt up to $7,000. On $8,000 he would pay 25 per cent. business tax, on the next $5,000, 50 per cent. and on the last $20,000 of the profits 75 per cent. This makes a total of $19,500.

Let us say the salary of a private individual is $40,000. He is exempt up to $2,000. **From $2,000 to $3,000 he pays 2 per cent.; from $3,000 to $6,000 4 per cent.; from $6,000 to $10,000, 4 per cent. and from $10,000 to $40,000, 4 per cent. This makes a grand total with super tax of about $4,000 as compared with $19,000, a manufacturer similarily situated has to pay.**

The speaker maintained that the business profit tax on the packers and millers tended to stifle ambition, to curtail production and to hamper competition in foreign trade. Posterity, he thought, should pay a proportion of the cost of the war.

The points had been taken up with a number of boards of trade, with wholesalers and retailers all over Canada and the Credit Men's Association had some strong evidence to submit to Parliament in case the business profits tax is to be renewed.

The Bankruptcy Act

After many months of labor he pointed out a Bankruptcy Act that was suitable to all interests, including retailers, wholesalers, etc., had been drawn up and would be introduced into the House this session. The only opposition known was coming from the lawyers of Quebec city and this was in connection with the landlord's preference so that he felt sure the Act would go through as it has been drawn up. The chief point in connection with the Act, he said, was that it eliminated practically all court procedure. Once a customer gets into difficulty the creditors take over the assets and they are administered by them. The Act too provides for voluntary assignment. The majority rules and this includes not only majority in number of creditors but amount of money involved so far as each creditor is concerned.

The association had been working along the line to have the Act introduced by the Government as a Government measure. Mr. Detchon read a telegram from Ottawa stating that Hon. Mr. Guthrie, Solicitor General, would likely introduce the Act, in which case it would be put through as a Government measure.

STERLING TRUSTS

W. H. Hardrope, K.C., has been elected President of the Sterling Trusts Corporation, succeeding the late E. F. B. Johnston, K.C., and A. W. Briggs, K.C., a vice-president to fill the vacancy caused by the promotion of Mr. Wardrope. The other two vice-presidents, namely, John Firstbrook and H. Waddington, were reelected to the same positions. The other directors are as follows: N. H. Stevens, Chatham; Nicol Jeffrey, Guelph; J. W. Scott, Listowel; J. E. Martin, Minneapolis; J. C. Elliott, M.P.P., Glencoe; Gideon Grant, Toronto; A. J. Williams, Toronto; J. A. Walker, K.C., Chatham; J. A. Cross, K.C., M.P.P., Regina; F. C. L. Jones, Toronto; Norman Sommerville, Toronto; W. J. Sheppard, Waubaushene; F. B. Hayes, Toronto; W. A. Boys, K.C., M.P., Barrie; E. D. McCallum, Regina; Geo. H. Bradshaw, Portland, Ore.; Chas. B..ckha.., Toronto.

REMOVING RESTRICTIONS

Many Lines of Business Now Freed From Regulations

The removal of further restrictions by the Canada Food Board has relieved many of the wholesale and manufacturing interests from burdensome restrictions. With the withdrawal of eight more regulations the trades are practically free from restriction, and the Canada Food Board's work is practically at an end. Practically the only industry now remaining under legislation is that of the packer, and the withdrawal of the regulations releases all the small plants from restrictions. The restrictions imposed under the license system are, however, maintained in force for the packing plants haying an annual turnover of not less than $750,000. As far as the other withdrawals are concerned, they merely remove the licensing restrictions imposed on the wholesale fish dealers, wholesale flour and feed merchants, wholesale fruit and vegetable dealers, canners, produce merchants, and also the order restricting the use of sugar in manufacture.

STILL WORKING FOR TRURO STOCKHOLDERS

Another Effort Being Made to Raise the Necessary Funds

By Special Representative

HALIFAX. — Another postponement has been made in the sale of the property and plant of the Truro Steel Corporation. The interests which are seeking to make a new issue of bonds to redeem the old and to save the property for the holders of the common stock, if this is possible, were not able to accomplish anything tangible when the time came for the sale and they asked the court for further time. This request was granted and the new date fixed for the sale three weeks hence.

It is understood that the promoters of the company who are now at work on the proposed new financing, are in hopes of interesting New Glasgow capital. It was capital from that town which to a large extent went into the old bonds of which there were $70,000 at 7 per cent. The proposed issue is $60,000 at 8 per cent.

THE MILLING SITUATION

Assurance of British Orders a Factor for Stability

By J. L. RUTLEDGE,
Editor "Canadian Grocer."

The milling situation remains practically unchanged. The prospect of business, due to the definite assurance that the Wheat Export Company will purchase 72,000 tons of flour during the present month, and the probability that other orders may possibly be forthcoming, a probability that is borne out by a recently published statement of George H. Roberts, the British Food Controller, that despite the lower prices available in Australia and Argentine, that the British Government would continue to make purchases from Canada and the United States, has unquestionably given a better feeling in the trade.

At the same time business is not up to what might be hoped for, and unless improved conditions become operative within the fairly immediate future the mills will certainly not be in a position to make the exceptionally satisfactory showings they have made in the past few years. Domestic business is fair, but at the best it accounts for only a fractional part of the mill production, and Canada is shut off from general trading in the British Isles. Until this prohibition is removed, or the purchases of the Wheat Export Company become of a more assured character, there will be serious conditions prevailing in the industry.

CANDY AND BISCUIT MEN WILL GO OVERSEAS FOR BUSINESS

As a result of the meeting of the candy, biscuit, and confectionery men held in Montreal, the new association will send representatives overseas to seek export business. The matter was left with the new manager, C. J. Bodley, who was for some time in charge of the confectionery section of the Canada Food Board, and with the executive. It is understood that they will make appointments in the near future, and these appointees will go abroad to secure actual business for the various members of the association.

DOMINION STEEL

Orders for rails keep the rolling mill of the corporation active. Officials of the company state that they look for continued good business, but little has been said of the nature of this beyond the fact that a certain government tonnage is booked there. Just what success is going to attend the mission of some of the officials to Europe is not known. Trading in iron for the month of February was very light when compared to the volume of business that has been done in some of the preceding periods.

Banking Service

The attention of manufacturers is drawn to the excellent facilities this Bank offers in all branches of a complete banking service.

A good banking connection is an essential to the success of the manufacturer or merchant.

THE CANADIAN BANK OF COMMERCE

Capital Paid Up, $15,000,000. Reserve Fund, $15,000,000

THE ROYAL BANK OF CANADA
INCORPORATED 1869

Capital Paid Up	$ 14,000,000
Reserve and Undivided Profits	15,500,000
Total Assets	427,000,000

HEAD OFFICE, MONTREAL

Sir Herbert S. Holt, President.
E. L. Pease, Vice-President and Managing Director.
C. E. Neill, General Manager.

530 Branches in Canada, Newfoundland, West Indies, Central and South America, etc., distributed as follows:

Canada	465
Newfoundland	6
West Indies	47
Central and South America	9
Spain (Barcelona)	1
U.S.A. (New York)	1
Great Britain (London)	1
	530

LONDON, ENGLAND
Bank Bldgs., Princes St., E.C.

NEW YORK CITY
Cor. William and Cedar Sts.

Business Accounts Carried Upon Favorable Terms.
Savings Department At All Branches.

The Weyburn Security Bank
Chartered by Act of the Dominion Parliament.
NINETEEN BRANCHES IN SASKATCHEWAN
HEAD OFFICE, - WEYBURN, SASK.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.

A General Banking and Foreign Exchange Business Transacted.

THE HOME BANK OF CANADA

"The flighty dollar gathers no compound interest."

Branches and Connections Throughout Canada
HEAD OFFICE AND EIGHT BRANCHES IN TORONTO

THE BANK OF TORONTO
INCORPORATED 1855

Paid-Up Capital, $5,000,000 Reserve Fund, $6,625,623

DIRECTORS:
W. G. GOODERHAM, *President* J. HENDERSON, *Vice President*
William Stone, John Macdonald, Lt.-Col. A. E. Gooderham, Wm. I. Gear, J. L. Englehart, Brig.-Gen. F. S. Meighen, Paul J. Myler, A. H. Campbell, W. R. Bawlf, John I. McFarland.
THOS. F. HOW, *General Manager* JOHN R. LAMB, *Asst. Gen. Manager*

BANKING SERVICE

For the banking transactions of business men we offer the complete facilities and satisfactory service of this Bank. Current and Savings and Loan Accounts Invited. Every banking requirement given careful attention.

BANKERS:
NEW YORK—National Bank of Commerce. CHICAGO—First National Bank. LONDON, ENG.—London Joint City and Midland Bank, Limited.

Mercantile Trust Company of Canada
LIMITED
Hamilton, - - - Canada

Acts as Executor, Administrator and Trustee. Administers Real Estate.
We have special facilities for handling property in the Niagara Peninsula.

Cyrus A. Birge, *President* S. C. Macdonald, *Manager*

Municipal
Public Utility
Victory Bonds

To Yield

5¼% to 7¼%

Nesbitt, Thomson &
Company, Limited
INVESTMENT BANKERS
222 St. James St., Montrea
Mercantile Trust Building, Hamilton

ESTABLISHED 1849
BRADSTREET'S
Offices Throughout the Civilized World
We Present a Record---
Not a Prospectus.
Reputation gained by years of vigorous, conscientious and successful work.
Thomas C. Irving
General Manager Western Canada
TORONTO

Invest In
Victory Bonds

We can offer these bonds---due at any maturity---at the best market price.

F. H. DEACON & CO.
Members Toronto Stock Exchange
INVESTMENTS
97 BAY STREET, TORONTO

THE UNION BANK
OF AUSTRALIA, LTD.
Established 1837. Incorporated 1880
CAPITAL—
AUTHORIZED AND ISSUED..£6,000,000
Paid-up Capital £2,000,000
Res. Fd. £2,025,000 Together £4,025,000
Res. Liab. of Proprietors..£4,000,000
Total Capital and Reserve..£8,025,000
Head Office: 71 Cornhill, London, E.C. 3
The Bank Has 181 Branches, viz:
In Victoria ... 41
In New South Wales ... 39
In Queensland ... 19
In South Australia ... 14
In Western Australia ... 21
In Tasmania ... 3
And in NEW ZEALAND .. 44
Drafts upon these Branches are issued by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued—available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

PUT YOUR MONEY INTO
Victory
Bonds

We can suggest no safer, more profitable or more convenient investment than Victory Bonds. Present quotations are attractive as prices will steadily increase. We will buy or sell for you at the best market price.

Lists, quotations and details of securities on request.
Write or telephone your orders at our expense.

JOHN STARK & Co
ESTABLISHED 1870
MEMBERS Toronto Stock Exchange
ROYAL BANK BUILDING ... TORONTO

Stocks Wanted
Trusts & Guarantee.
Standard Reliance Mortgage.
Home Bank.
Sterling Bank.
Victory Bonds.
J. E. CARTER,
Investment Broker, Guelph, Ontario.

NET EARNINGS OF BELL TELEPHONE DOWN $429,383

Heavy Increases in the Operation Costs and Maintenance

EARNED 8.5 PER CENT.

Little More Than Enough to Meet Dividend — 4.2% on Assets — No Permanent Rates For Two Years

The application of the Bell Telephone Company to the Railway Board at Ottawa for an increase in the rates on the ground of heavier expenses, naturally dominated the sentiment of the annual meeting of the company held on Thursday of this week. An endorsement of the pleading of the company before the Board was contained in the statement issued to the shareholders, showing heavy increases in operating expenses, with the result that there was a net decrease in earnings for the year 1918, of $429,383, as compared with 1917, the totals being $2,534,071 and $2,104,688 respectively. After deducting interest charges there remained available for the common dividend the sum of $1,542,634, as compared with $1,973,070 in 1917, or a percentage earned on the common of 10.96 in 1917 was reduced to 8.57 in 1918. This, as will be noted, was only about ½ of 1 per cent. in excess of the actual dividend being paid by the company, namely, 8 per cent. on the common stock total of $18,000,000. This result, too, applied over the whole period of 1918, a good portion of which was not covered by the increase of $1,500,000 a year ago in wages brought into effect by the company, so that under similar conditions of earnings it is clear that the percentage on the common would fall far below 8 this year, and as a matter of fact, THE FINANCIAL POST is informed, for the month of January there was earned less than 7 per cent. on the common stock, leaving a deficit on the actual dividend carried so far by this stock.

Earned 4.2 Per Cent. on Assets

From another angle the report shows that on assets set at $49,682,311 for 1918, the earnings were only 4.2 per cent. as compared with 5.5 per cent. in 1917, and 7.6 per cent. in 1910, in which year the assets were placed at $22,541,382.

The reference of the president, L. B. McFarlane, to the application of the company for higher rates, may be taken as setting forth the company's expectations of the course of events in the next two or three years, and would indicate that a temporary increase in rates is looked for, and no permanent decision for over two years, by which time, and not till then, an independent inventory of the assets of the company—in the sense of the actual values represented by property—would be available as a basis for a claim on the part of the company for a return on the assets themselves. This idea, it may be assumed, would follow in many respects that of the "Service-at-Cost" solution proposed for electric railway systems, and now in force on the Montreal Tramway lines.

Want Fair Return on Investment

Mr. McFarlane referred to the fact that certain irregularities in charges had been revealed in the course of the hearing at Ottawa, and that as a result the application for a 20 per cent. increase had been laid aside, though not withdrawn, in favor of a new rate schedule that showed a few decreases over the old, and many increases and a net advance that would be about equal to the original proposal of 20 more. There never had been an independent inventory taken of the company's assets, said the president, who declared for the principle of the company being allowed to earn a fair return on the amount actually invested in the property of the company.

Assuming that the company's present request would be granted, there had been drawn up the heaviest budget in the history of the company, to "pull up the slack," to cover a lot of construction, deferred maintenance, extra repairs, etc. He concluded: "We feel that we will have a very successful year if this one point is settled."

Gross Revenue Higher

The comparative statement of earnings for the past two years indicate the causes for the lower net profits of the company. The total revenue showed an increase for 1918 of $1,048,383, being $12,227,595, as compared with $11,179,162. On the other hand operating expenses were $918,490 ahead in 1918; current maintenance were $308,258 ahead; taxes, $111,829 more, and depreciation, $178,760. Thus the total telephone expenses amounted to $10,550,459, in comparison with $9,033,121 in 1917, an increase of $1,517,338.

The comparative statement for the two years follows:

EARNINGS AND EXPENSES

	1917	1918
Telephone revenue	$11,179,162	$12,227,545
Operation expense	$4,545,328	$5,463,818
Current maintenance	1,595,366	1,903,624
Depreciation	2,470,000	2,648,760
Taxes	422,427	534,256
Total telephone exp.	$9,033,121	$10,550,459
Net telephone earnings	$2,146,040	$1,677,085
Sundry net earnings	388,030	427,602
Total net earnings	$2,534,071	$2,104,688
Deduct interest	561,001	562,053
Balance	$1,973,070	$1,542,634
Deduct dividends 8%	1,440,000	1,440,000
Surplus earnings	$533,070	$102,634

Liquid Assets Reduced

Not only were net earnings much reduced, but there was a heavy drain on the liquid assets of the company. Cash was reduced from $748,062 to $173,932, while accounts payable increased from $305,363 to $603,206. The net working capital declined from $2,790,328 to $2,153,341. There was an improvement in one direction in investments, and $590,000 of Victory Bonds were purchased during the year, and allowing for these as liquid assets, the working capital of 1918 was nearly equal to that of 1917.

Working Capital

Cash	$173,932	$748,062
Bills and acc. rec.	845,227	819,175
Supplies, etc.	1,737,388	1,528,454
War bonds	$2,756,547	$3,095,691
Less acc. pay.	603,206	305,363
	$2,153,341	$2,790,328
Add war bonds	997,500	407,500
Total	$3,150,841	$3,197,828

Increases in Wages

The president, in his report, referred to the two increases in wages during the year, influenced to some extent by the application of the "McAdoo Award" in Canada as well as the United States. There were 2,888 miles of wire added, and an increase of 18,944 stations during the year, bringing the total to 303,205. There were 833 employees who enlisted for service overseas. Reference was made to the difficulties of operation during the influenza epidemic.

The same board of directors was re-elected, including George H. Thomson, of Quebec, vice-president of the Union Bank, who had succeeded the late Mr. Sise during the year, and H. B. Thayer of New York, president of the Western Electric Company, who succeeded the late Charles Cassils. L. B. McFarlane was chosen again as president; C. F. Sise, vice-president and general manager: W. H. Black, secretary; W. G. Black, treasurer, and E. Palm as comptroller.

GOOD RECORD OF PENMAN'S WAS CONTINUED IN 1918

Continued from page 1

the growth in reserves from earnings, there being a comparatively small increase in current liabilities.

Current assets totalled $5,043,883, compared with $4,463,908 in the previous report, while current liabilities were $1,889,648, as against $1,814,345. Bank advances increased by $200,000, but accounts payable were reduced $157,745. Bills payable were higher and wages owing lower, but the changes were not relatively important.

Current assets show a small reduction of cash on hand and a decrease of about $100,000 in accounts receivable, bills receivable are practically unchanged and relatively unimportant, while investments in Victory bonds have increased from $7,723 to $141,750. The big change in assets is in raw and manufactured stock, which increased from $3,244,461 to $3,820,188.

Capital liabilities are unchanged, but real capital assets have increased from $3,125,950 to $3,163,577, the increase evidently representing investments from profits. Goodwill, etc., stands at $2,257,954, or unchanged.

PORTO RICO RAILWAY

The gross earnings of the Porto Rico Railways Company, Limited, for the year ended December 31, 1918, were $1,035,955, an increase of $133,562. The net income last year was $446,628, an increase of $45,417.

First mortgage bonds of the company to the amount of $46,000 were purchased for cancellation. The total amount so far redeemed is $404,000.

There was expended during the year on capital account $66,839.

After providing for interest charges and dividends on the preferred stock, the surplus earnings amounted to $180,428. This sum, with the undistributed profits as of 31st December, 1918—$123,084—make a total at credit of profit and loss account of $303,513, of which $100,000 was transferred to reserve and the balance, $203,513, carried forward.

MACDONALD

The announcement is made that back dividends on Macdonald preferred are being paid by an issue of scrip, payable before March 15. Books closed yesterday. The scrip dividend amounts to 35 per cent. This is in harmony with the announcement made some time since.

OTTAWA RAILWAY

The Dominion Railway Board, on the application of outlying municipalities, disallowed the proposed schedule of the Ottawa Street Railway increasing rates to suburban points between Ottawa and Britannia by from 50 to 150 per cent.

LORNE C. WEBSTER HEAD OF QUEBEC RY.

Successor Chosen For Late Sir Rodolphe Forget—Quebec-Saguenay Sale

The directors of the Quebec Railway Light, Heat and Power Co. met on Thursday and chose Lorne C. Webster, vice-president, as president, to succeed the late Sir Rodolphe Forget, whose name had been connected for so many years with this company. Senator Lesperance was added to the Board, and appointed vice-president.

Next week an important event for the company takes place, when, under the direction of the bondholders of the Quebec-Saguenay railway, that property will be offered for sale. The Government will take this means of bidding it in at the figure passed by Parliament, slightly under $3,500,000. Some of those in charge of the company are hopeful that there will be additional items such as accrued interest to add to this when a final settlement is made.

The passing of Sir Rodolphe is taken in some quarters to mean a return of J. N. Greenshields, K.C., to the Board within the next year. Mr. Greenshields and the late Senator MacKay differed with Sir Rodolphe as to the advisability of the Quebec-Saguenay project being undertaken and finally resigned.

The appointment of Mr. Webster to the presidency brings in charge of the company a prominent industrial director of Montreal, and one who was for years in close touch with Quebec City. Mr. Webster numbers among his directorates, places on the Boards of the Nova Scotia Steel and Coal Co., St. Lawrence Sugar Refineries, Travelers Life Assurance Co. (vice-president), Quebec-Levis Ferry Co., Crown Trust Co., Goodwins Ltd. (vice-president), Canadian Import Co., etc.

BELDING-PAUL

The directors of the Belding-Paul Corticelli Company continue their policy of paying off their preferred arrears. On March 15 shareholders will be the recipients of another dividend of 3½ per cent., 1¾ per cent. being for the quarter ending February 28, and 1¾ per cent. on account of back dividends. On December 1 the outstanding dividends on the preferred amounted to 10½ per cent., so that when the present distribution is taken into consideration the preferred dividends are reduced to 8¾ per cent. It is expected that by the end of the year or early next year, the company will be free of indebtedness to preferred shareholders.

MISSION CITY TELEPHONE CO.

At the annual meeting of the Mission City Telephone Co., a co-operative company with headquarters at Mission City, B.C., the presentation of the year's statement showed a deficit of $10,000, due largely to the havoc caused by the hail and sleet storm which almost entirely disrupted the service. Much of the line has been replaced during the year. The election of officers resulted as follows: Reeve J. A. Catherwood, president; J. A. Bates, secretary and Wm. Elliott, E. Machel and Geo. Cade, directors.

Pulp and
Paper

We would be glad t furnish you particulars regarding Canada's foremost manufacturing industry, also the attractiveness of an investment in the

Whalen Pulp & Paper Mills
LIMITED
7% Mortgage Debenture Stock
(carrying a 50% bonus Common Stock).

Investors are not only assured of a 7% income yield annually, but also share in the surplus profits of the Company.

GRAHAM, SANSON & Co
INVESTMENT BANKERS
Members Toronto Stock Exchange
85 BAY STREET, TORONTO

THE STERLING BANK
OF CANADA
The growth of the Sterling Bank as a financial institution is symbolical of its value to commercial progress.

DEALERS IN
GOVERNMENT, MUNICIPAL
AND
CORPORATION BONDS
Correspondence Solicited
A. H. MARTENS & COMPANY
(Members Toronto Stock Exchange)
ROYAL BANK BUILDING, TORONTO, ONTARIO
16 Broadway, New York, N.Y. Harris Trust Bldg., Chicago, Ill.

THE MONTREAL COTTONS LIMITED

46th ANNUAL REPORT, 1918

Gentlemen:—

Your Directors take pleasure in presenting to you the Statement for the year 1918. The results of the year's operations may be considered very satisfactory, as during the first four months the works were practically idle owing to the destruction of the Power Plant by the fire in December, 1917, greatly reducing the production at a time of great demand. The temporary installation of Power, to continue running operations, proved especially costly at that time, largely increasing the outlay for repairs. A large number of Automatic Looms have been installed which were secured at pre-war prices. This outlay will be fully justified by increased production at lower cost. Contracts have been awarded to replace the Power Plant, destroyed by fire, which, when installed, will be of the highest standard. The regular Dividends have been paid, and after payment of the Bond interest, reserves for Depreciation, etc., a good surplus has been carried forward to Profit and Loss account. The works have been fully maintained, and when the new Power installation is completed, will be in a high state of efficiency. The General Manager and all the Officials of the Company have discharged their duties faithfully. The Annual Audited Statement of the Company's affairs and the Auditor's report, will now be read. All the Directors retire and are eligible for re-election. The whole respectfully submitted.

S. H. EWING, President.

No. 1

MANUFACTURING ACCOUNT

Raw Cotton, Wages, Supplies, Chemics	$3,898,860.00	Cloth Sales	$5,917,519.52
Salaries, Incidentals and General	99,815.70	Cloth and in process	707,380.41
Repairs and Fuel, Taxes, Interest, Insurance, Maintenance	975,070.03		$6,624,899.93
Cottage Depreciation	7,500.00	Cloth in process, 31st December, 1917	825,558.32
Depreciation	115,000.00		
Gross Profits	703,095.88		
	$5,799,341.61		$5,799,341.61

No. 2.

PROFIT AND LOSS ACCOUNT

Bond Interest	$39,428.91	Manufacturing Profits	$703,095.88
Dividends	330,000.00	Farm, Rents, etc.	17,553.12
Balance forward	351,220.09		
	$720,649.00		$720,649.00

No. 3.

ASSETS AND LIABILITIES

Cash	$58,645.11	Open Accounts		$820,030.54
Book Debts, etc.	994,149.12	Advances, Bank		96,231.86
Real Estate balances	5,655.90	Total Current Liabilities		$916,262.40
Cloth and Waste	105,803.76	Indirect		29,326.74
Cotton in Process	601,576.65	Bond Issue	$1,000,000.00	
Raw Cotton	1,291,559.03	Paid Off	225,311.27	
Supplies	482,325.78			774,688.73
Unexpired insurance	23,178.00	Capital Account		3,000,000.00
Government Bonds	50,000.00	Contingent Account	$601,476.14	
Total Working Assets	$3,612,893.35	Profit and Loss (surplus)	2,420,383.59	
Bills Receivable discounted	29,326.74	Net Profit, balance forward as per Account No. 2 **(Subject to War Tax Profits,** 1917-18)	351,220.09	3,373,079.82
Employees' Cottages	207,099.46			
Mill, Land, Power, etc.	4,244,038.14			
	$8,093,357.69			$8,093,357.69

No. 1.

PROFIT AND LOSS ACCOUNT

Dr. to Preferred Dividend of 1¾% Quarterly	$210,000.00	Cr. by Montreal Cotton Co. dividend on shares	$330,000.00
" to Common Dividend of 1% Quarterly	120,000.00		
	$330,000.00		$330,000.00

No. 2.

ASSETS AND LIABILITIES

Net Assets of Montreal Cotton Co.		$6,373,079.82	Issued Capital—		
Gross	$8,093,357.69		Preferred	$2,949,600.00	
Less, Liabilities	1,720,277.87		Common	2,949,600.00	$5,899,200.00
	$6,373,079.82		Unissued balance—504 Shares original stock of Montreal Cotton Co. Representing—		
			Preferred	$50,400.00	
			Common	50,400.00	100,800.00
			Surplus: as shown by No. 3 Statment, Montreal Cotton Co.		373,079.82
		$6,373,079.82			$6,373,079.82

S. H. EWING,
F. W. MOLSON,
Directors.

AUDITOR'S CERTIFICATE

I have audited the Books and Accounts of the Montreal Cottons, Limited, for the year ending the 31st December, 1918. I have obtained all the information and explanations required, and now certify that in my opinion the foregoing statements and balance sheet are properly drawn up so as to exhibit a true and correct view of the year's oprations and of the state of the Company's affairs at its close, according to the best of my information and the explanations given to me and as then shown by the books of the Company.

Montreal, February 22nd, 1919. ARTHUR H. PLIMSOLL, C.A.

CANADIAN PACIFIC
DAILY TRAIN SERVICE
TORONTO - WINNIPEG - VANCOUVER
Leave Toronto 7 p.m.
Arrive Winnipeg 12.10 p.m. (Second Day)
Arrive Vancouver 10.05 p.m. (Fourth Day)
THROUGH EQUIPMENT
Compartment Observation Cars, Standard and Tourist Sleeping Cars, Dining Car, First-Class Coaches, Colonist Cars, Toronto to Vancouver.
A round-trip ticket to the Pacific Coast via the "Canadian Pacific" permits a wide diversity of routes without additional charge.
CANADIAN PACIFIC HOTELS IN WESTERN CANADA
OPEN ALL THE YEAR ROUND
"Royal Alexandra," Winnipeg; "Palliser Hotel," Calgary;
"Vancouver Hotel," Vancouver; "Empress Hotel," Victoria
Passengers for California should arrange their trip to include the Canadian Pacific Roc
Particulars from Canadian Pacific Ticket Agents. W. B. HOWARD, District Pass Agent,

CANADA STEAMSHIP LINES LIMITED

REPORT of the President and Directors for the year ending December 31st, 1918.

BOARD OF DIRECTORS AND OFFICERS:
Commander SIR A. TREVOR DAWSON, R.N., Hon. President
J. W. NORCROSS, President and Managing Director
C. A. BARNARD, K.C., Vice-President and General Counsel
M. J. HANEY, Vice-President
DIRECTORS:
H. B. SMITH EDMUND BRISTOL, K.C., M.P. Hon. J. P. B. CASGRAIN
GEO. H. SMITHERS D. B. HANNA J. P. STEEDMAN F. S. ISARD
H. W. COWAN W. E. BURKE J. E. DALRYMPLE
Secretary: F. PERCY SMITH
LONDON ADVISORY COMMITTEE:
Commander SIR A. TREVOR DAWSON, R.N., Chairman
SIR VINCENT CAILLARD ALBERT VICKERS Lt.-Col. W. GRANT MORDEN
Lt.-Col. C. G. BRYAN F. ORR LEWIS Lt.-Col. SIR H. MONTAGU ALLAN, C.V.O.
T. J. FELLOWES BROWN, Secretary

To the Shareholders of Canada Steamship Lines Limited

Your Directors beg to submit herewith their Fifth Annual Report and Statement of Accounts showing net earnings for the year of $4,338,079.88, leaving $2,324,098.15, after deduction of all fixed charges, including depreciation and making provision for war tax.

The Company's general freight earnings, admittedly, have benefited by war conditions, but, on the other hand your passenger and packet freight business has suffered and your operating costs have been abnormally high.

Balancing one thing against the other, your Directors on the whole, without being unduly sanguine and keeping well in sight the necessity for ample provision against temporary setbacks, look forward to the future with confidence.

Canada, which has made giant strides during the last few years and months in World politics, is still a very young country from the point of view of its development; and its Shipping, both inland and on the high seas, is in its infancy. Our practically unlimited natural resources are increasingly required in the markets of the world and our Government is awake to the fact that they must be carried there. The dangers ahead are not of Nature's making. With wise leadership and sane legislation the contrast between living conditions on this side and those on the other side of the Atlantic should be such as to cause a flow of immigration here, that will insure the country's prosperity and the prosperity of your Company for years to come.

You will be asked to confirm an amendment to "By-Law" No. 22 of the Company, changing the number of its Executive Committee from "Five" to "Six."

There are two vacancies on the Board caused by the resignation of Messrs. James Carruthers and J. C. Newman.

The physical assets of the Company have been thoroughly maintained and are in good condition.

The whole respectfully submitted.

J. W. NORCROSS,
President.

BALANCE SHEET

AS AT DECEMBER 31st, 1918

ASSETS

Fixed Assets:			
Vessels as at 31st December, 1917			$20,730,864.34
Less Net Deductions for Year, being excess of vessels lost and sold over additions to fleet			652,288.36
			$20,078,575.98
Real Estate, Buildings, Docks and Wharves, as at 31st December, 1917		$5,511,682.93	
Add Net Additions for Year		542,461.60	
			6,054,144.53
Other Fixed Assets as at 31st December, 1917		725,759.71	
Add Net Additions for Year		308,889.50	1,034,649.21
			$27,167,369.72
Less Depreciation Reserve			3,506,190.29
			$23,661,179.43
Current and Working Assets:			
Cash in Banks and on Hand		$ 553,267.86	
Cash in hands of Debenture Stock Trustees to be released to Company		452,980.13	
Accounts Receivable less Reserve for Doubtful Accounts		1,614,313.53	
Adjusted Losses due by Underwriters		553,139.39	
Insurance and other Claims—Estimated amount Recoverable		1,363,018.32	
Interest Receivable Accrued		4,197.40	
Inventories of Stores and Supplies		898,059.46	
			5,438,976.09
Charges Deferred to Future Operations:			
Insurance Unexpired		$ 520,931.46	
Repairs, etc., applicable to 1919		181,635.76	
Miscellaneous		20,809.45	
			723,376.67
Investments			427,139.50
Funds Deposited with Trustees for Mortgage Bonds and Debenture Stock			126,038.98
Adjusted Losses due by Underwriters Payable to Trustees			118,320.53
			$30,495,031.20
Leases, Contracts and Goodwill			8,424,646.79
			$38,919,677.99

LIABILITIES

Capital Stock:			
125,000 Shares 7% Cumulative Preference Stock of $100.00 each			$12,500,000.00
120,000 Shares Common Stock of $100.00 each			12,000,000.00
			$24,500,000.00
Funded Debt:			
5% Debenture Stock		$7,120,506.66	
Less Amount held in Treasury	$598,400.00		
Amount retired by operation of Sinking Fund	594,919.82		
		1,193,319.82	
		$5,927,186.84	
First Mortgage Bonds		757,020.02	
			6,684,206.86
Current and Accrued Liabilities:			
Accounts Payable		$1,308,750.23	
Bond Interest Accrued		114,707.91	
Business Profits War Tax		960,516.71	
Preference Dividend Declared (Payable 2nd January, 1919)		218,750.00	
			2,602,724.85
Reserves:			
For Freight and Other Claims		$ 10,000.00	
For Premium on Redemption of Bonds of Richelieu and Ontario Navigation Co.		2,409.42	
Surplus arising from Sinking Fund Purchases of Debenture Stock		110,706.22	
			123,115.64
Surplus			5,009,630.64
			$38,919,677.99

Contingent Liabilities—None ascertained.
(Signed) J. W. NORCROSS, President.
" F. S. ISARD, Director.

CERTIFICATE OF AUDITORS

We have audited the accounts of the Canada Steamship Lines, Limited, for the year ended 31st December, 1918, and have obtained all the information and explanations which we have required.

We certify that the above Balance Sheet and relative Operating and Surplus Accounts are in our opinion properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st December, 1918, and of its operations for the year ended at that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

(Signed) MARWICK, MITCHELL, PEAT & CO.

Montreal, 19th February, 1919.

OPERATING ACCOUNT

For the Year ended 31st December, 1918

Operating Revenue:		
Vessels		$13,481,238.63
Docks and Wharves		222,310.11
Miscellaneous		174,674.66
		$13,878,223.40
Other Revenue		216,169.68
Total Revenue		$14,094,393.08
Expenses		9,756,313.20
Net Earnings		4,338,079.88
From which Deduct:		
Interest on Mortgage Bonds	$ 58,303.02	
Interest on Debenture Stock	301,219.57	
Other Interest	25,665.31	
Special Bonus to Employees	37,063.49	
Reserve for Depreciation	1,146,730.34	
Reserve for Doubtful Debts and Claims	20,000.00	
Directors' Fees	25,000.00	
Reserve for Business Profits War Tax	400,000.00	2,013,981.73
Profit for Year		$ 2,324,098.15

SURPLUS ACCOUNT

As at 31st December, 1918

Balance as at 31st December, 1917		$ 2,374,754.12
Add:		
Profit for Year ended 31st December, 1918, as per Operating Account	$2,324,098.15	
Net Profit on Sales, etc., of Fixed Assets	1,276,136.38	3,600,234.53
		$ 5,974,988.65
Deduct:		
Balance of Organization Expenses charged off	90,358.01	
Dividends on Preference Stock 7% for the year ended 31st December, 1918	875,000.00	965,358.01
Surplus as per Balance Sheet		$ 5,009,630.64

PATON MFG. GIVES BONUS OF 25 P.C.

Directors Vote $150,000 in Victory Bonds — Current Year Very Promising

Although there was no statement made public after the annual meeting of the Paton Manufacturing Company on Wednesday of this week, the following day there came the announcement of a bonus of 25 per cent. on the common stock of the company, in the form of a payment of $150,000 in Victory bonds of the 1933 issue pro-rata to the shareholders. As the capital stock amounts to $600,000, this means 25 per cent. on each share. The real value is a little more, indeed, as the 1933 issue selling at slightly over 102 means an addition of ½ per cent. to the bonus. While the bonus is the largest in the history of the company, it must not be taken to mean that last year was the best; that still belongs to 1916. Both last year and in 1917 the output of the company was curtailed greatly owing to the difficulty of securing help in Sherbrooke, where there was a group of half a dozen munition plants operating, and high salaries were paid, with which a textile company could not hope to compete.

The outlook for the future, however, is very bright, as the Canadian mills will be in a much more favorable position so far as a labor supply is concerned, and in addition conditions in England are such that the keen competition of pre-war years will be cut down to an extent that will assure these mills practically all the business they can handle. In addition, there will be an abundant supply of wool and yarn for them, such as was a handicap on a number of occasions in the past four years.

The profits for the year 1917-18 were $108,332, out of which were paid a regular dividend of 8 per cent and a bonus of 4 per cent., in half yearly payments, a total of $72,000. With the bonus of $150,000 this year, and the regular dividends of 8 per cent., the total required for the shareholders would be $198,000, or nearly double the profits of one year ago, but far below those of the year before that, when they were $311,000. Thus in a good year the Paton Company, with the comparatively small capitalization, need not bother much about finding a surplus to cover a bonus of even 25 per cent.

The bonus history of the company is an interesting one. In the year ending Jan. 31, 1912, 6 per cent. was paid; in 1911, 1½ per cent.; 1912 and 1913, 6 per cent. again; 1914, 6 per cent. and 3 per cent. bonus; 1915, 7 and 3 per cent. bonus; 1916, 8 and 3 per cent bonus; 1917, 8 and 5 per cent. bonus; 1918, 8 and 4 per cent.; and 1919, to date, 4 per cent. and 25 per cent. bonus.

The president of the company is John Turnbull, who also is managing director.

DOMINION AND SCOTIA STEEL AT CROSS PURPOSES

Continued from page 1

Officials do not seem to pay much attention to this. Scotia is largely controlled in the U. S. market. The failure of the merger, though, is not considered a barrier to the drawing up of a satisfactory working arrangement for taking coal from the submarine areas off the Scotia coast.

Comparative Resources

In a statement recently submitted to the Canadian Fuel Controller, James Purvis, M.E., is responsible for the following estimate of the undersea coal deposits held by the Dominion Coal Company and the N. S. Steel and Coal Co., respectively:

	Tons.
Dominion Coal Co.—	
Metallurgical	900,000,000
Non do.	1,064,000,000
	2,064,000,000
Scotia—	
Metallurgical	680,000,000
Non do.	1,253,000,000
	1,933,000,000

NATIONAL BRICK

The reorganization of National Brick of La Prairie, Ltd., as proposed in a circular issued by the bondholders' committee last fall, has evidently been abandoned. A new circular intimates that the plan to form a new company has been dropped as the result of opposition from large shareholders. Objections raised to this plan appeared to have resulted finally in an agreement for the old company to continue on present basis of capitalization. Resolutions to be submitted to the bondholders' meeting provide, in substance, for the deferring of interest until the earnings of the company are sufficient to permit payment, with the only limitation that the company must pay 2 per cent. not later than April 1, 1922, and a minimum of 2 per cent. in each year thereafter.

BEATTY MAKES DENIAL

The rumor, apparently coming from Portland, Maine, that the Canadian Pacific Railway was planning to make that port the terminus for its largest vessels, was contradicted by E. W. Beatty, president of the C.P.R. Mr. Beatty stated that the company had no such intentions at the present time.

HOWARD SMITH CO.

New Mill Results in Increased Earnings and Profits

The opening of the new mill of the Howard Smith Paper Company during the year resulted in substantially higher revenue for the Howard Smith Paper Company, with the result that profits of $257,241 showed a material increase over the $204,263 of 1917. The percentage of earnings was 13.7 per cent. against 11.7 per cent.

The demand for the company's products is increasing to such an extent that the installation of a second mill at the Beauharnois plant has been decided upon.

A WARNING BY SIR JOSEPH FLAVELLE

Says There Are Serious Problems Ahead Which Must be Faced With Restraint

That there are serious times ahead during the period of readjustment, was the opinion expressed by Sir Joseph Flavelle before the meeting of the shareholders of the National Trust Company on Thursday, when he asked that restraint and broad judgment should be used in facing reconstruction problems. "We will not secure a sound solution of these problems," he said, "by retaining chiefly a fighting spirit, however deeply we may feel the need for reform. The solution will come through patience, personal effort, and through wise regulations by Governments. It will come through conviction, concerning needed reforms, accompanied by good-fellowship, mutual confidence, and personal industry. The way of progress will not be found in distrust and angry agitation, but in hard knocks given and taken in good part, in productive work commonly undertaken, and in co-operative effort, which accepts responsibility to the community as a binding obligation."

An important step was taken in the election as directors of James Ryrie and Fred W. Harcourt, K.C.

WANT PROSPECTING RIGHTS OPEN TO ALL

Imperial Oil Company Fighting Against Granting of Exclusive Privileges

For a good many years the Imperial Oil Company has been spending large sums in prospecting for new oil fields —efforts in the West being especially extensive. In the past the company's policy has been one of secrecy on this point, perhaps because of the fear that a knowledge of the company's prospecting activities would start an oil boom which would prove a menace. Now the Imperial Oil Company is allowing the fact of their past and prospective development work to be known, the Hon. W. J. Hanna, president of the company, stating at Thursday's annual meeting that the company's "expenditures in exploring and prospecting in the last five years have been in excess of a quarter of a million dollars annually," and that "the company's expenditure for this work during the coming season will be upwards of half a million dollars."

Perhaps the reason for giving publicity to activities now which formerly were allowed to go unnoticed is the attempt by a foreign corporation to secure from the Dominion Government a concession covering all the prospective oil territory in Alberta and the North-west. It is stated that this foreign corporation argues that with the privilege of oil prospecting left open, little has been done, so that the Imperial Oil Company is desirous of submitting evidence—at least in a general way—as to what has been done by them.

A BELIEVER IN INSURANCE

Sir Wilfrid Laurier for Thirty Years A Life Company Director

Sir Wilfrid Laurier was not a man of wide business interests, if he could be considered a business man at all, but among the few business associations which he cherished was his directorship in the Mutual Life Assurance Company of Canada. A firm believer in the advantages of insurance, he took a keen personal interest in the programme of the company, kept in touch with its officers, was regularly posted on its affairs, and at his death was not only a large policyholder, but had been for some time an annuitant. His connection with the company dated back for close to thirty years.

Sir Wilfrid's views on the value of insurance are epitomized in the following paragraph taken from an address delivered not long ago before the Life Underwriters' Association of Canada:

"I have been studying, not perhaps in close detail, but somewhat attentively, the development made by the life insurance business in Canada. That development is reasonably satisfactory, while not in my judgment wholly as satisfactory as it ought to be. There is an increase every year in the amount of insurance done, in the number of policies carried by the people. Still the increase is not all that it ought to be. For I have a very strong conviction that every man living in a country like Canada ought to carry some insurance at least. I believe in life insurance."

SHIPPERS PROTEST AGAINST PRE-PAYMENT

Circular 97 of Canadian Railway War Board Causes Confusion

What does Circular No. 97, issued by the Canadian Railway War Board, and to come into effect March 1, mean anyway?

This is the query of many members of the Canadian Manufacturers' Association, and of other manufacturers. The circular seems to mean that all freight shipments have to be paid strictly in advance, or else that there must be given a bond to insure payment.

"It's unworkable, if it means what it seems to mean," say some. "It would result in freight congestion. For instance, if manufacturers who ship hundreds of pieces of merchandise daily, send their representative down to the railway offices at 5 o'clock each evening and demand bills, so that they can look them over before giving a cheque in payment. The railways will be unable to handle the business. If an agent of the railway accepts freight and marks it prepaid, and there is any delay in handling it, the railway leaves itself open to claims for damages.

It is pointed out that agents will be careful about doing this, and manufacturers foresee all kinds of troubles in getting their shipments moving.

Some manufacturers contend the Canadian Railway Board is not a Government, but a railway organization —that it was the accounting department of the railways which were responsible for this order, and that the tariff departments are opposed to it.

It is expected a committee of the C. M. A. will be appointed to ask for a readjustment of the order.

LOCOMOTIVE'S PRESIDENT

At the annual meeting of the shareholders of the Canadian Locomotive Company this week, Frank G. Wallace, of Pittsburgh, was made president as successor to the late Dr. J. J. Harty, whose death took place a few days ago in England. J. L. Whiting, K.C., of Kingston, succeeds Mr. Wallace as vice-president. Usual quarterly dividends were declared. The outlook is regarded as bright, there being sufficient orders on hand to maintain activity until the 1st of June, the business including 25 locomotives for the Dominion Government.

CONSOLIDATED SMELTERS

Ore receipts at Trail Smelter from February 8 to February 14, according to the report of the Consolidated Mining & Smelting Company of Canada, Ltd., amounted to 7,741 tons. Of this total the company's mines produced 7,044 tons, and other mines 697 tons. The largest production was made by Sullivan at 3,687 tons, and Centre Star was second at 2,183 tons. Total production to February 14 was 119,463 tons.

A Will Maker's Difficulties

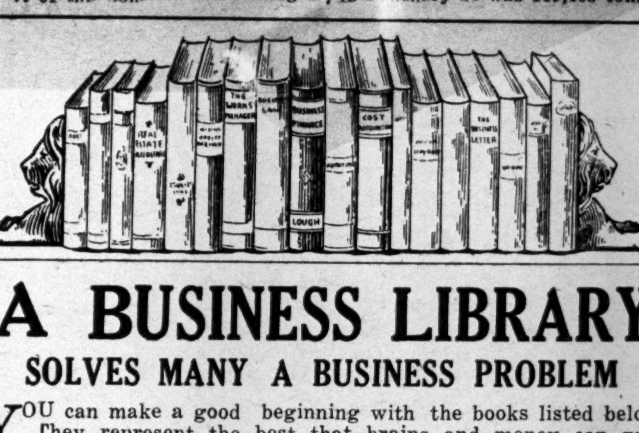
A wise man makes a will; and a will implies an executor. Yet anyone choosing a personal executor must choose either an able man with interests of his own, who can give only his spare time to the estate; or a man who has less than the ability required to administer the property of another.

Many prudent people, unwilling to make either choice, have appointed this Company executor. Write for our booklets. Or, may we explain to you personally the advantages of such a course?

National Trust Company Limited
Capital Paid-up - $1,500,000
Reserve - - - $1,500,000
18-22 King East, Toronto

WANTED
Manufacturers to make small brass parts for electrical instruments in large quantities.
Apply Box 3,
Financial Post
128 Bleury Street
Montreal

Route Your Shipments CANADIAN NATIONAL



A BUSINESS LIBRARY
SOLVES MANY A BUSINESS PROBLEM

YOU can make a good beginning with the books listed below. They represent the best that brains and money can produce and each one is essential to the success of an active business.

If you desire to examine these books, and satisfy yourself as to their utility before buying, we are prepared to send them on for your inspection.

Getting the Most Out of Business
By E. St. Elmo Lewis. Second edition. 3rd printing, 1917. 483 pages. 6 x 8¾. Cloth binding only .... $ 2.50

Credit, Its Principles and Practice
By Benjamin H. Blanton. 1915. 219 pages. pages. 6 x 8¾. Cloth binding only 2.00

The Art of Collecting
By R. J. Cassell, Collection Manager, Grinnell Bros., Detroit. Fourth printing. 1915. 261 6 x 8¾. Cloth binding only 2.00

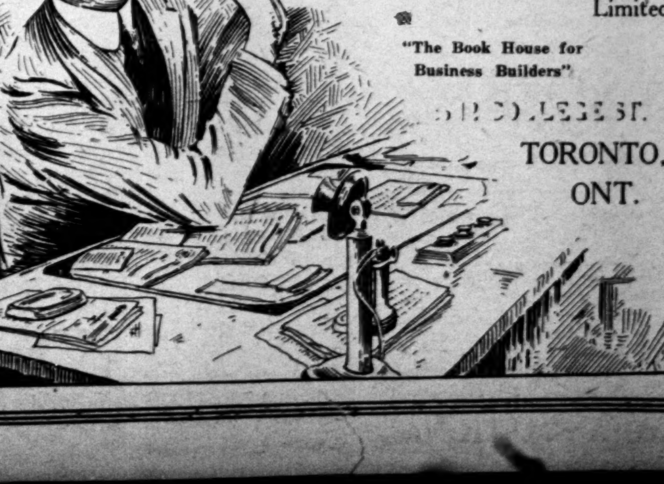
Indexing and Filing
By E. R. Hudders, Public Accountant; Member of the American Statistical Association. 4th printing, 1918. 304 pages. 5¾ x 8½. Cloth binding 3.00

Principles of Factory Cost Keeping
By E. P. Moxey, Jr., C.P.A., 1913. (Reprinted 1918.) 102 pages. 5 x 7¼. Cloth binding only 1.00

Advertising: The Social and Economic Problem
By George French, Editor of "The Advertising News." 1915. 258 pages. 5¼ x 8½. Cloth binding only 2.00

$12.50

In ordering all or any of the above, ask for special list "Books For Better Business," which will prove a great help to you in building up your business library on the good foundation suggested.



McAinsh & Co., Limited
"The Book House for Business Builders"
[illegible] COLLEGE ST.
TORONTO, ONT.

Æmilius Jarvis & Company
Members Toronto Stock Exchange
CANADIAN GOVERNMENT, PROVINCIAL and MUNICIPAL BONDS
Established 1891
Jarvis Building, 103 Bay Street, Toronto

Guaranteed Investments Bearing Attractive Interest

Do you know that you can invest your funds in first-class mortgages on improved real estate, and in addition have the sum invested absolutely guaranteed by the Toronto General Trusts Corporation? You can secure this investment for sums from $500 to $100,000, and we would point out that the interest is paid by cheque semi-annually, and the rate is attractive. Further information upon request.

THE TORONTO GENERAL TRUSTS CORPORATION
Hon. Featherston Osler, K.C., D.C.L., President. A. D. Langmuir, General Manager. W. G. Watson, Asst. Gen. Manager.
Head Office: 83 Bay St., Toronto

Business Founded in 1795
AMERICAN BANK NOTE COMPANY
(Incorporated by Act of the Parliament of Canada)
BANK NOTES, BONDS, STOCK CERTIFICATES, CHEQUES AND OTHER MONETARY DOCUMENTS
SPECIAL FACILITIES FOR THE PREPARATION OF MUNICIPAL DEBENTURES
HEAD OFFICE and WORKS
OTTAWA
Branches:
TORONTO MONTREAL WINNIPEG

WE OFFER
6 1-2% Five Year Secured Gold Bonds
Montreal Tramways & Power Co., Limited
Price 100 and accrued Interest,
Payable Montreal and New York.
Beausoliel, Ltd. 112 St. James Street **Montreal**

Wanted
PROVINCE OF BRITISH COLUMBIA
and
CITY OF VANCOUVER BONDS
Short date preferred. Wire quantity and price.
ROYAL FINANCIAL CORPORATION LIMITED
Suite 703 Rogers Bldg., Vancouver, B.C.
Capital Paid up $566,220.32
E. B. McDermid, Managing Director

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL
Authorized Capital - - $2,000,000.00
Subscribed Capital - - 1,000,000.00
Paid-up Capital - - 247,015.79
General Fire Insurance Business Transacted
Theodore Meunier, Manager

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give
FINANCIAL ASSISTANCE
to Estates being administered by it.
CAPITAL ISSUED AND SUBSCRIBED $1,171,700.00
PAID-UP CAPITAL AND RESERVE 860,225.00
The Imperial Canadian Trust Co.
EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.
HEAD OFFICE: WINNIPEG
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY, VANCOUVER AND VICTORIA

THE·INK·FOR·ALL·PEOPLES
·SHIP ANYWHERE·ANYTIME·
ANY QUANTITY BY MAIL·
ROYAL INK POWDER
·SIMPLY ADD WATER·
·NON-CORROSIVE·NON-FADING
From Your Retailer or Send for Samples—

Best for Fountain Pen Use. Sample Quart, Blue Black, 50 cts. Why Pay More?
ROYAL INK COMPANY
11 COLBORNE ST. TORONTO CANADA

STEAMSHIPS IN STRONG POSITION; 21% ON COMMON

Big Profits on Sales of Ships During Year 1918

$5,000,000 SURPLUS

Compared With $570,433 Deficit From Year Ago—Better Liquid Position—Plans For Future Growth

The annual report of Canada Steamship Lines, Limited, which will be submitted to the shareholders at the annual meeting next Monday will be scanned more carefully than most statements this year on account of the wide diversity of opinion that developed as to the advisability of the directors at their last meeting in placing the common stock on a dividend basis of 4 per cent. There are many factors in this report that may be quoted as justification of the dividend action, not only from the standpoint of increased earnings and net profits that are somewhat discounted by the abnormal conditions that have prevailed for profit-making, but that of a greatly improved position in respect of liquid assets.

Some of the outstanding features of the report stand as follows: the total revenue rose from $13,533,816 in 1917 to $14,094,393, and as all this increase was not covered by greater expenses the net earnings showed an increase of $315,000, from $4,023,864 to $4,338,079. The net profits for the year showed an increase from $2,178,401 to $2,324,098. War conditions,—the rapid appreciation in values of boats,—enabled the company, aided by shrewd buying, to net a profit of $1,276,136 on sales during the year. compared with $941,881 in 1917, and $179,979 in 1916. In 1915 there was a loss of $3,971 and in 1914 a loss of $30,826. It may be assumed that this item will be cut down materially in future. Then, deducting dividends, the surplus available for dividends was $3,509,876, representing 29.2 per cent. on the preferred, as compared with $3,005,696, or 25.05 per cent. in 1917. Deducting this dividend of $875,000 there was available for the common stock of $12,500,000, a sum of $2,634,876 or $21.08 per cent., as compared with $526,529 or 4.29 per cent. in 1917, after heavy arrears in preferred had been met.

Or, omitting the item of profits on sales, there was a balance of $2,233,740 for preferred, or 18.6 per cent. in 1918, compared with 17.4 per cent. in 1917, and on the common, $1,358,740, representing 10.9 per cent. in 1918. One year ago, if the profits on sales had been deducted and the accrued dividends and current ($2,679,167) met, there would have been no surplus available for the common.

From $570,000 Under the Line

One of the most favorable points in the report is the large surplus that has been built up: $5,009,630 at the end of 1918, compared with $2,374,754, at the end of 1917; $1,848,225 at the close of 1916, $20,883 in 1915, and a deficit of $570,433 on December 31, 1914.

Working Capital Higher

The liquid assets according to the company's list amount to $5,438,976 compared with $4,065,008 in 1917, an increase of nearly $1,400,000. On the other hand, the current liabilities have decreased from $3,804,191 to $2,602,724, leaving the balance or working capital showing an increase from $260,818 to $2,836,152 in the year.

It should be noted that these figures are somewhat conditional. For instance there is an item included in the liquid assets of $924,326 in 1917 and $1,363,018 in 1918, as the estimate of losses recoverable from insurance and other claims. This estimate is subject to actual results, and in one sense is not strictly a liquid asset, although recoverable usually in a couple of months or so. However, there is one item not usually included in the part under liquid assets that should be given consideration, that of investments. This total in the 1917 balance sheet was $220,792, increasing in 1918 to $427,139, more than all the increase of which, it is understood, is due to larger holdings of Victory bonds which certainly are the livest of liquid assets. It is a safe estimate that the larger amount in 1918 would more than outbalance any excessive valuation in the "recoverable insurance" item of 1918 over 1917.

The comparative figures for the past two years show a big increase in cash, from $231,730 to $1,006,247; with inventories up over $300,000. In the liabilities accounts payable are down from $2,538,985 to $1,308,750. The amount set aside for war tax is increased from $704,546 of 1917 to $960,516.

Working Capital Account

Liquid Assets.	1918	1917
Cash	$1,006,247	$ 231,730
Invent.	898,059	583,808
Acct. rec.	1,614,313	1,606,820
Adj. losses due	553,189	712,082
Losses recov. (est.)	1,363,018	924,326
Int. rec., Accr.	4,197	5,640
Investments*	....	......
	$5,438,976	$4,065,008

---

*No provision made in this list, although the most of the $427,000 in 1918 were in Victory Bonds.

Current Liabilities

Accs. pay.	$1,308,750	$2,538,985
Bond int. acc.	114,708	123,160
Wax Tax	960,516	704,546
Pref| div.	218,750	437,500
	$2,602,724	$3,804,191
Bal. Work. Cap.	2,836,152	260,818
Gain during 1918	....	$2,576,334

Reducing Bonds

In the table of assets vessels are set down in 1918 at $20,078,575, as against $18,797,920 in 1917, with "other property" at $3,582,604 compared with $3,674,491. Leases, good-will, etc., are valued at $8,424,649, a slight decrease from $8,589,646.

Among liabilities bonds have been reduced over $1,000,000, another very favorable mark of progress, from $7,896,366 to $6,684,206. The common stock stands at $12,500,000 and the preferred at $12,000,000.

The new president, J. W. Norcross, in his report to the shareholders points out that the general freight earnings have benefited by war conditions, but on the other hand the passenger and packet freight business has suffered, and the operating costs have been abnormally high. "Balancing one thing against the other, your directors on the whole, without being unduly sanguine and keeping well in sight the necessity for ample provision against temporary set backs, look forward to the future with confidence.

For Ocean Trade

To these words of the president might be added the fact that the company has arrangements well under way for an expansion of their pre-war business, which was in the main limited to the upper lakes, river and West Indies-Canada trade, to a trans-oceanic service, which should prove a very fruitful source of increased revenue. It is in this direction, probably, that the shareholders will come to feel most confidence in the company being able to retain and perhaps to increase the abnormal revenue that special conditions, vigorously and wisely handled, provided for them during the period of the war, and for many months after peace shall be signed.

Profit and Loss Accounts for Five Years

	1918	1917	1916	1915	1914
Revenue	$14,094,393	$13,533,816.	$12,122,128	$7,775,034	$6,585,811
Expenses	9,756,313	9,509,951	8,062,583	6,042,977	5,657,774
Net earn.	$ 4,338,079	$ 4,023,864	$ 4,059,544	$1,732,057	$ 928,037
Deduct—					
Bond int.	359,522	392,305	443,041	457,785	451,464
Other int.	25,665	5,721	15,319	85,276	15,874
Depreciation	1,146,730	1,061,563	805,309	.76,938	455,630
Bad debts	20,000	25,579	27,500	35,000	50,000
Directors	25,00	25,000	15,156	14,907	15,000
War tax	400,000	300,000	322,046	.....	.....
Bonus	37,063	35,294	40,140	.....	.....
Profits for year	$ 2,324,098	$ 2,178,401	$ 2,391,028	$ 662,152	*—$ 59,932
Less org. ex. wr. off	90,358	114,586	87,415	66,864	60,332
Balance	$ 2,233,740	$ 2,063,815	$ 2,303,613	$ 595,288	— 120,264
Profit on sales	1,276,136	941,881	179,979	— 3,971	— 30,826
Balance	$ 3,509,876	$ 3,005,696	$ 2,483,592	$ 591,317	—$ 151,090
Dividends	875,000	2,479,167	656,250	......	401,042
Surplus	$ 2,634,876	$ 526,529	$ 1,827,342	$ 591,317	—$ 552,132
Prev. surp.	2,374,754	1,848,225	20,883	— 570,433	— 18,300
Total Surplus	$ 5,009,630	$ 2,374,754	$ 1,848,225	$ 20,883	—$ 570,433

*The — sign used here and below indicates a deficit, not a surplus.

The operating expenses in 1918 had a ratio to revenue of 70.3 compared with 75.1 in 1917; 66.8 in 1916, 78.7 in 1915, and 85.9% in 1914.

WILL ELECTRIFY LINE

Electrification of the Toronto Eastern Railway between Bowmanville and Pickering has been promised definitely by President Hanna, of the Canadian National Railways, and the work is to be done this summer. President Hanna made the statement to a deputaion including representatives from all the municipalities interested, and said he thought that the decision to have the line electrified for the stretch mentioned should be an earnest of the intention to electrify the whole line.

FOURTEEN BANKS CLOSE UP DOORS IN MINNESOTA

High Financing Methods of W. H. Schafer Bring Trouble

LARCENY IS CHARGED

Schafer and His "Partner" Placed Under Arrest by the State Superintendent of Banking

The stability and safety of the Canadian banking system as compared with the system in the United States has often been argued. From the Canadian bank standpoint it is brought home by the failure of a line of 14 banks in Minnesota, and the arrest last week of the chief promoter. The following is from the *Commercial West*, Minneapolis:

High financiering methods of William H. Schafer, who controlled a line of 14 banks in Minnesota small towns, resulted in all of the institutions being closed by State Superintendent of Banks F. E. Pearson. Also with the closing of the banks Mr. Schafer was arrested upon a charge of grand larceny, the investigations of the bank examiners disclosing that he had succeeded putting through the banks notes and other securities amounting to $910,000, much of which, or about $500,000, is of doubtful value.

Mr. Schafer operated through the Mortgage Security Company of which he secured control last August. Charles F. Wyant was president of the company and also president of each of the 14 banks involved, a list of which is here given. The banks closed by Mr. Pearson were:

Augusta State Bank, Augusta; capital, $10,000; deposits, $88,446.72.

Chanhassen State Bank, Chanhassen; capital, $10,000; deposits, $109,820.93.

Farmers State Bank, Cologne; capital, $12,000; deposits, $69,125.77.

Farmers State Bank, Frontenac; capital, $10,000; deposits, $121,974.84.

Farmers State Bank, Long Siding; capital $10,000; deposits $91,284.42.

Marine State Bank, Marine Mills; capital, $12,000; deposits, $89,830.11.

Farmers State Bank, New Prairie; capital, $10,000; deposits, $40,947.78.

Farmers State Bank, Skyberg; capital, $10,000; deposits, $55,415.05.

Peoples State Bank, St. Bonifacius; capital, $12,000; deposits, $94,890.92.

Hamel State Bank, Hamel; capital, $10,000; deposits, $84,797.15.

St. Louis Park State Bank; capital, $20,000; deposits, $72,383.17.

Merchants and Miners State Bank, Tower; capital, $15,000; deposits, $122,462.67.

Waconia State Bank, Waconia; capital, $10,000; deposits, $253,584.05.

Farmers and Merchants State Bank, Watertown; capital, $15,000; deposits, $145,000.

The total deposits of all of the banks closed, aggregated approximately $1,450,000 and loans and discounts about $1,250,000.

By direction of State Bank Superintendent Pearson, both Mr. Schafer and Mr. Wyant were placed under arrest on February 18. Mr. Schafer's bonds were fixed by Judge Smith of the Municipal Court at $25,000 which so far have not been furnished.

Mr. Wyant was released, and is assisting banking department officials in their investigations of the affairs of the different banks. The county attorney of Hennepin County and the superintendent of banks made the statement that two men are accused of manipulating the affairs of the Mortgage Security Company and the chain of banks controlled by the company through majority stock ownership, in such a manner that hundreds of doubtful notes, unsecured and in many instances signed without consideration by financially irresponsible persons, were bought from the company by the banks.

Stockholders May Lose

It is possible the depositors of the closed banks will lose nothing, Superintendent Pearson said, the closing being made necessary because of capital impairment. In many cases stockholders doubtless will furnish the money to take up the doubtful paper and the banks will reopen.

"The banks involved were all organized by the Mortgage Security Company, under the former owners of the company, Roy Quimby and associates, in the last four or five years," said County Attorney Nash. "When Schafer acquired a controlling interest in the Mortgage Security Company last August, control of the 14 banks naturally went along with it."

Borrow Thousands on Dummy Notes His Career

All the doubtful notes reached the banks within the last 90 days. The state charges that Schafer had these notes signed by anybody he could get to sign them. Notes for thousands of dollars were signed by stenographers, by employees of motion picture film concerns operated by Schafer and by other persons of no financial responsibility.

The notes acquired by the banks from the mortgage company are sign-

Continued on page 15

There May Be Unexpected Value In Your Unlisted Securities

Let us place a valuation on your holdings and advise you as to to their future possibilities.

We are specialists in unlisteds and our service and monthly letters are yours for the asking.

T. A. Richardson
and Company
INVESTMENT BANKERS
Royal Bank Bldg., Toronto

Robert Cassels G. H. Brown
Cassels, Browne & Co.
Members Toronto Stock Exchange
318 Dominion Bank Building
TORONTO
Direct Private Wire to New York, Chicago and Washington

Canada Permanent Mortgage Corporation
Toronto Street :: TORONTO
Established 1855
President
W. G. GOODERHAM
First Vice-President
W. D. MATTHEWS
Second Vice-President
R. S. HUDSON
Joint General Managers
R. S. HUDSON JOHN MASSEY
Assistant General Manager
GEORGE H. SMITH
Paid-up Cpaital $6,000,000.00
Reserve Fund 5,500,000.00
Unappropriated Profits ... 172,509.77
Capital and Surplus $11,822,509.77
DEPOSITS RECEIVED
DEBENTURES ISSUED
Associated with the above corporation and under the same direction and management is
The Canada Permanent Trust Company
incorporated by the Dominion Parliament. This Trust Company accepts and executes Trusts of every description, acts as Executor, Administrator, Liquidator, Guardian, Curator, or Committee of the Estate of a dunatic, etc. Any branch of the business of a legitimate Trust Company will have careful and prompt attention.

The Mercantile Agency R. G. DUN & CO.
Consult us before extending credit or if customers are delinquent.
Canadian Offices:
Halifax, St. John, Quebec, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Regina, Moose Jaw, Saskatoon, Calgary, Edmonton, Lethbridge, Vancouver, Victoria.
Address enquiries to
R. G. DUN & CO.
Dominion Bank Bldg. - Toronto, Can.

THE FINANCIAL POST IN MONTREAL

Offices of THE FINANCIAL POST in Montreal are in The Southam Building, 128 Bleury St. THE FINANCIAL POST is on sale at the following news-stands and book-stores in Montreal: Murphy's News-stand, St. James St. (next G.P.O.); the Ritz-Carlton Hotel, the Windsor Hotel, the Queen's Hotel, Chapman's Bookstore, 190 Peel St.; Foster, Brown & Co., 472 St. Catherine St. West.

Uninterrupted Executor Service

An individual executor may be in sound health when appointed, but before the estate is wound up, may find himself unable to attend to business affairs through illness. Circumstances liable to lead to confusion in the administration of an estate are absent when the Union Trust Company is named executor. Expert and systematic attention to details is always available without interruption. Write for literature.

Union Trust Company
LIMITED
Head Office:
Cor. Bay and Richmond Streets, Toronto
Winnipeg London (Eng.) 64

OTIS & COMPANY
(Established in 1895)
INVESTMENT BANKERS CLEVELAND, OHIO

The Leading Investment House of Ohio.
Members of all Principal Stock Exchanges.

CANADIAN MUNICIPALITIES and CORPORATIONS are invited to consult with us concerning plans for financing, and the distribution of their securities.

OTIS & COMPANY
Investment Bankers
CUYAHOGA BLDG. CLEVELAND

The Dominion Savings and Investment Society

Forty-sixth Annual Meeting of the Society was held on February 11, 1919, at 11 o'clock a.m., pursuant to notice.

There were present: Messrs. T. H. Purdom, K.C., President; W. J. McMurtry, Toronto; George Angus, Alexander Purdom, John Purdom, James T. Moses, J. Wilson Purdom, E. D. Parke, W. W. Purdom and Nathaniel Mills.

The chair having been taken by the President, Mr. Purdom, the Manager, Mr. N. Mills was called upon to act as Secretary and to read the Annual Report, as follows:

Forty-Sixth Annual Report to the Shareholders of the Dominion Savings and Investment Society.

The Directors beg leave to submit their report for the year ending December 31st, 1918, together with the financial statement of the affairs of the Society.

Great Britain and the Allied nations have won a victorious peace. The world war is ended. Canada, which took its full share in the war, will enter on a new period of growth and prosperity. There is room in Canada for many millions of happy homes in addition to those now in existence. Mortgage Corporations have contributed towards the building of homes and settling of lands. They are essentially an institution of the people, and in a new country very necessary and desirable. The laws of Canada and of each Province should freely encourge them.

The net profits for the year amounted to the sum of $54,374.09 and the balance at the credit of the Contingent Account was $3,925.48, making together the sum of $58,299.57. Out of this amount the usual half-yearly dividends amounting to the sum of $46,742.75 were paid, the sum of $10,000 added to the Reserve Fund, which now amounts to the sum of $270,000, leaving the balance of $1,556.82 at the credit of the Contingent Account.

The difficulties resulting from the war were overcome, and now that peace has been happily restored the outlook is bright.

The books of the Society have been regularly audited by Messrs. John Lochead and W. J. Harvey, whose certificate is attached to the financial statement.

All the Directors retire annually, and are eligible for re-election.

Respectfully submitted,
T. H. PURDOM, President.

PROFIT AND LOSS ACCOUNT

	Dr.	
To Two Permanent Stock Dividends—		
30th June, 1918	$23,357.50	
31st Dec., 1918	23,357.50	$46,715.00
To Two Accumulating Stock Dividends—		
30th June, 1918	$13.71	
31st Dec., 1918	14.04	27.75
To Interest paid Savings Bank Depositors		29,216.00
To General Expense Account		12,435.00
To Commission Account		649.71
To Currency Debenture Coupons		4,220.58
To Currency Debenture Coupons due Jan. 1, 1919		3,336.00
To Interest Paid Banks		1,683.94
To Sterling Debenture Coupons		7,288 70
To Sterling Debenture Coupons (Interest accrued, but not due)		974.00
To Municipal and Government Taxes		2,627.19
To Amount carried to Reserve Fund		10,000.00
To Balance Contingent Account		1,556.82
		$120,730.69
	Cr.	
By Earnings for year ending 31 December, 1918		$116,805.21
By Balance at credit of Co[illegible]ingent Account, 1st Jan., [illegible]		3,925.48
		$120,730.69

Liabilities	
To the Public—	
To Savings Bank Depositors	$ 758,413.83
To Currency Debentures	175,075.00
To Currency Debenture Coupons due 1st Jan., 1919	3,336.00
To Sterling Debentures	154,854.81
To Sterling Debenture Coupons, Interest accrued but not due	974.00
To Royal Bank of Canada	23,971.07
	$1,116,624.71
To the Shareholders—	
To Permanent Stock	$ 934,300.00
To Permanent Stock Dividend payable 2nd January, 1919	23,357 50
To Accumulating Stock	95 00
To Acumulating Stock Dividends	481.08
To Reserve Fund	270,000.00
To Contingent Account	1,556.82
	$2,346,415.11
Assets	
By Cash Value of Mortgages and other Securities	$2,327,066.24
By Cash in Bank of Toronto	14,659.77
By Cash in National Bank of Scotland	711.55
By Cash in Office	3,977.55
	$2,346,415.11

NATHANIEL MILLS, Managing Director.

We hereby certify that we have made a regular audit of the books of the Dominion Savings and Investment Society for the year 1918. The cash, bank accounts, and vouchers have been kept under careful examination. All postings have been checked, all entries in the Society's ledgers have been vrified, and the accompanying statements of "Profits and Loss" and "Assets and Liabilities" are, in our opinion, a correct showing of the affairs of the Society.

JOHN LOCHEAD,
W. J. HARVEY,
Auditors.

London, January 25th, 1919.

The report was unanlously adopted, and the following gentlemen were then elected Directors for the ensuing year:

T. H. Purdom, K.C., W. J. McMurtry, Alexander Purdom, John Milne, John Purdom, and Nathaniel Mills.

At a subsequent meeting of the Directors M. T. H. Purdom, K.C., was elected President, and Alexander Purdom Vice-President.

MONTREAL COTTONS EARNED 14% ON COMMON STOCK

A Marked Improvement Shown, With $703,096 Profits, Up 43%

CALL FOR DIVIDEND

The Shareholders Show Some Impatience at Present Rate of 4%—Working Capital Increased Over $500,000

A very auspicious start was made this week in the procession of Canadian textile companies that have new high records to disclose for the final year of the war, when Montreal Cottons, Limited, presented its statement to its shareholders. By far the best year in the company's history was revealed, both in regard to the value of sales, and the net manufacturing profits. The sales were close to $6,000,000, being $5,917,519 compared with $4,308,521 in 1917, while the profits rose 43 per cent. from $492,720 to $703,096. In view of the discussion that developed at the meeting over the dividend being retained all through the war at the rate of 4 per cent., it is of interest to note that while in 1917 there was available for common dividend $209,175, which works out at 6.97 per cent. on the common stock of almost $3,000,000, there would remain this past year approximately a total of $421,220, which would permit of a payment of 14.04 per cent. as compared with the actual payment of 4 per cent.

Shareholders Ask Higher Dividend

It was around the dividend payment that the only inquiries heard at the meeting centered. One shareholder, a broker, representing a number of clients, wanted to know whether the directors had in mind an increase in the dividend rate, as had been done in the case of a number of other companies. The veteran president, S. H. Ewing, replied that he tried to run his own company, and did not think of what other companies were doing. The dividend rate up to the present, he thought, had been a very fair one, and in the unsettled condition of the raw market, when a bale of cotton ran up or down $15 or $20 in a few hours and the future generally, he thought it wise to wait a short time before increasing the dividend, although he himself, as a large shareholder, would be very grateful for this being done.

Another shareholder said he had expected that the dividend would have been increased at this meeting to 5 per cent. The Dominion Textile Company was paying 8 per cent.; Canadian Cottons, 6 per cent., and a comparatively young company, Wabasso Cottons, 6 per cent., while Montreal Cottons had remained at 4 per cent. To this Mr. Ewing replied that Montreal Cottons had pursued a steady conservative course for 47 years, and when action of a dividend nature was taken it would be in the best interests of the company. It was just possible that an increase would be made, but he could not say when. It is an interesting coincidence that while the meeting was being held the stock rose to a new high of 62, a mark that exceeds the present quotations of several stocks that are paying 6 per cent. dividends.

Handicapped Early in Year

The excellent figures shown by the company will be appreciated all the more when it is considered that for the first four months of the year the works, as the president said, "were practically idle owing to the destruction of the power plant by the fire in December, 1917, greatly reducing the production at a time of great demand. During the past year, also, a large number of automatic looms have been installed, which will increase production at less cost. These two elements are among the favorable factors for the current year's results.

The liquid position of the company is also much stronger than one year ago. While the liquid assets remain about the same, the current liabilities have been reduced by $400,000. The bank indebtedness shows a very promising position, with a decline during the twelve months from $778,307 to $96,232. The working capital of $2,110,103 at the end of 1917 rose to $2,667,798 at the end of 1918, an increase of $557,695. The figures for the two years compare as follows:

Working Capital Account

	1918	1917
Liquid Assets—		
Cash	$ 58,645	$ 3,359
Book debts	994,149	965,728
Inventories	2,481,266	2,455,051
Govt. bonds	50,000	....
	$3,584,060	$3,424,138
Current Liabilities—		
Open accts.	$ 820,031	$ 535,728
Advances	96,232	778,307
	$ 916,262	$1,314,035
Bal. work. cap.	$2,667,798	$2,110,103
Gain for year		$ 557,695

Profits and Sales Accounts

The following tables show the manufacturing account, with the large increase in cloth sales. Part of this, it should be explained, is due to the fact that prices of goods were much higher in 1918 than the year before, but in addition to this there is a net gain even in quantity. The balance for the year compares as $351,220 to $89,175 in 1917. There is one item that calls for an explanation. In the list appearing below there is no provision for war tax. There was $35,000 set down in 1917 for this, and in the estimate of earnings on common stock made above there was an allowance of $50,000 war tax for 1918, on a little over the increase in the earnings. The profit and loss figures compare as follows:

Manufacturing Account

	1918	1917
Cloth sales	$5,917,519	$4,308,521
Cloth in process	707,380	825,558
Total	$6,624,899	$5,134,079
Cloth stock prev. yr.	825,558	1,055,231
	$5,799,341	$4,078,848
Supplies, wages, etc.	3,898,860	2,960,434
Salaries, etc.	99,816	86,091
Taxes, int., etc.	975,070	424,602
Depreciation	115,000	115,000
Cottage dep.	7,500	....
Mfg. profits	$ 703,096	$ 492,720

Profit and Loss Account

	1918	1917
Mfg. profits	$ 703,096	$ 492,720
Farm rents	17,553	3,888
Total income	$ 720,649	$ 496,608
Bd. int.	39,429	42,433
War tax, etc.	....	35,000
Dividends	330,000	330,000
Bal. for year	$ 351,220	$ 89,175

Surplus of $2,420,383

The total assets of the company stand at $8,093,357. Two noteworthy items are a contingent account of $601,476, and profit and loss surplus of $2,420,383, which must be considered as a very respectable amount under the circumstances, despite a remark of one of the shareholders that this was too small to permit of present increases in the common dividend.

The old board of directors was re-elected, with S. H. Ewing again as president, Sir Charles Gordon vice-president, and John Lowe as general manager and secretary-treasurer.

ABITIBI WILL SHOW INCREASED EARNINGS

Percentage Reported to be 10 on Common—More Pulp Produced

The annual meeting of the Abitibi Power & Paper Company will not be held until early in April this year, the 7th, as last year the February date was found to leave too little time to prepare the report. It is understood that the statement for 1918 will show an increase of several hundred thousand dollars in the earnings of the company as compared with the previous year, when the earnings were $1,323,001, out of gross sales of $4,418,000, and the surplus from the year's operations $341,122, or $271,122 available for the common stock of $5,000,000. This represents a little over 5 per cent. on the common, and it is understood that the amount earned on the common this year will reach nearly double that percentage. The company has the advantage of a full year's earnings on the new sulphite and groundwood pulp mills, whereas in 1917 the new mills started only about September. The improved earnings this past year have been reflected lately on the stock market where the common, which was "pegged" for a long time at 48, gradually has moved up a point at a time with scarcely any of the stock coming out until the advanced bid is over 5 points ahead of the minimum.

RAILROAD ECONOMY

American System Reducing Operating Expenses

PHILADELPHIA. — Railroads of the country are reducing operating expenses because of the falling off in traffic. Exact figures are not available, but it is said in official quarters that the decrease in traffic in the Allegheny Region, which includes the Pennsylvania Railroad, is not as great as it is in the Eastern Region, which includes the New York Central and New England roads.

A year ago abnormal weather and shortage of help, coupled with an abnormal movement of freight tonnage and heavy troop movement, resulted in the worst congestion that the railroads have ever experienced. To-day the reverse is the case. At the offices of the Regional Director for the Allegheny Region, M. P. Blauvelt, assistant Regional Director, said: "There is no congestion on the Pennsylvania Railroad. Traffic is moving freely and there is less of it. The heavy movement of munitions from the Pittsburgh district has stopped, as was expected, when the war was over. As there is less traffic there is need of less men to handle it. How far economy will be practised it is impossible to say. It all depends upon the volume of business to be handled."

PICCADILLY
LONDON
Smoking Mixture

The art of blending Tobacco has reached the zenith of perfection in Piccadilly Smoking Mixture. 30¢ PER PACKAGE

Standard Bank of Canada

The Forty-Fourth Annual Meeting of the Shareholders of The Standard Bank was held at the Head Office, 15 King Street West, on Wednesday, the 26th inst. A large number of Shareholders was present.

The chair was occupied by the President, Mr. Wellington Francis, K.C., and Mr. E. A. Bog, Chief Inspector, acted as Secretary to the Meeting and read the following report:—

In presenting the Forty-fourth Annual Report and Statement of the affairs of the Bank for the year ending 31st January, 1919, your Directors have pleasure in stating that the results for that period have been satisfactory.

The Net Earnings amount to $697,443.71, after provision has been made for bad and doubtful debts, interest on deposits, rebate on current bills under discount, Provincial taxes, and cost of management. This amount, added to the balance of Profit and Loss Account, $175,215.82, brought forward from last year together with $46,710 for premium on new stock issued, makes the sum of $919,369.53

This has been appropriated as follows:

Four quarterly dividends at the rate of 13% per annum	$453,892.99
Contributed to Officers' Pension Fund	20,000.00
Contributed to Patriotic and Kindred Funds	36,600.00
War Tax on Bank Note Circulation to 31st Dec., 1918	34,839.64
Premium on new stock	46,710.00
Reduction of Bank Premises Account	100,000.00
Balance of Profit and Loss Account carried forward	227,326.90
	$919,369.53

Your Directors record with deep regret the death, in October last, of our late President, Mr. William F. Cowan, who had been closely associated with this Bank for the past forty-three years, occupying the position of Vice-President from 1875 to 1883, and President from 1883 to 1918. The valuable services rendered by Mr. Cowan during that time have materially contributed to the growth and development of the Bank. The vacancy caused by Mr. Cowan's death has been filled by the election of Mr. Wellington Francis, K.C., who has been a Director of the Bank since 1902, holding the office of Vice-President since 1913.

Mr. Herbert Langlois has been elected Vice-President.

During the year Branches and Sub-Branches have been opened at Bindloss, Alta.; Bon Accord, Alta.; Coaldale, Alta.; Parkland, Alta.; Raymond, Alta.; Stirling, Alta. (sub. to New Dayton); Wayne, Alta.; Paynton, Sask. (sub. to Maidstone); Gray, Sask. (sub. to Regina); Ashern, Man. (sub. to Eriksdale); Eriksdale, Man.; and Goodwood, Ont. (sub. to Stouffville).

The Branch at Paisley, Ont., was closed.

The usual inspection of the Head Office and Branches has been made, and the duties of the staff have been faithfully and efficiently performed.

The regular audit of the Bank's affairs has been made by Mr. G. T. Clarkson, C.A., and his report is appended herewith. Mr. Clarkson's name will be again submitted at the Annual Meeting for re-appointment as Auditor for the ensuing year

WELLINGTON FRANCIS,
President.

Toronto, 31st January, 1919.

GENERAL STATEMENT

31st January, 1919

LIABILITIES

Notes of the Bank in circulation		$ 6,697,858.00
Deposits bearing interest (including interest accrued to date)	$42,563,695.61	
Deposits not bearing interest	23,405,862.81	65,969,558.42
Dividend No. 113, payable 1st February, 1919		113,750.00
Former Dividends unclaimed		61.75
Balances due to other Banks in Canada		1,227,161.45
Balances due to Banks and Banking Correspondents elsewhere than in Canada		1,148,889.61
Acceptances under Letters of Credit		272,259.17
Capital paid up		3,500,000.00
Reserve Fund		4,500,000.00
Balance of Profit and Loss Account carried forward		227,326.90
		$83,656,865.30

ASSETS

Current coin held by the Bank	$ 1,772,059.84		
Dominion Notes held	10,812,621.00		
Deposit in the Central Gold Reserves	3,500,000.00		$16,084,680.84
Notes of other Banks		$ 362,061.00	
Cheques on other Banks		2,597,090.27	
Balances due by Banks and Banking Correspondents elsewhere than in Canada		1,437,211.73	
Dominion and Provincial Government Securities not exceeding market value		4,521,486.89	
Canadian Municipal Securities and British, foreign and colonial public securities other than Canadian		8,473,705.37	
Railway and other bonds, debentures and stocks not exceeding market value		857,273.01	
Call and Short (not exceeding thirty days) Loans in Canada on bonds, debentures and stocks		1,732,828.03	19,981,656.30
			$36,066,337.14
Other Current Loans and discounts in Canada (less rebate of interest)			45,593,854.13
Liabilities of Customers under Letters of Credit as per contra			272,259.17
Real Estate other than Bank Premises			7,770.56
Overdue Debts, estimated loss provided for			64,699.92
Bank Premises, at not more than cost, less amounts written off			1,346,556.65
Deposit with the Minister for the purposes of the Circulation Fund			175,000.00
Other Assets not included in the foregoing			130,387.73
			$83,656,865.30

W. FRANCIS,
President.

C. H. EASSON,
General Manager.

AUDITOR'S REPORT TO THE SHAREHOLDERS.

I have compared the above Balance Sheet with the books and accounts at the chief office of The Standard Bank of Canada, and the certified returns received from its branches, and after checking the cash and verifying the securities at the chief office and certain of the principal branches on January 31st, 1919, I certify that in my opinion, such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of my information, the explanations given to me, and as shown by the books of the Bank.

In addition to the examination mentioned, the cash and securities at the chief office and certain of the principal branches were checked and verified by me at another time during the year, and found to be in accord with the books of the Bank.

All information and explanations required have been given to me, and all transactions of the Bank which have come under my notice have, in my opinion, been within the powers of the Bank.

G. T. CLARKSON, F.C.A.,
of Clarkson, Gordon & Dilworth, Toronto, Canada.

Toronto, February 15th, 1919.

The President addressed the meeting and the General Manager reviewed the Statement, after which the usual motions were passed, and the scrutineers appointed, reported the following Directors elected for the ensuing year: Wellington Francis, K.C., W. F. Allen, H. Langlois, F. W. Cowan, T. H. Wood, James Hardy, T. B. Greening.

At a subsequent meeting of the Directors, Mr. Wellington Francis, K.C., was elected President, and Mr. H. Langlois, Vice-President.

C. H. EASSON, General Manager.

Twenty Years of Progress Reviewed By National Trust Shareholders

President Sir Joseph Flavelle Pays Tribute to Canada's War Service and Urges Careful Attention to Problems of Peace—General Manager W. E. Rundle Sketches Company's Growth—Assets Under Administration Now Exceed 80 Millions — Reserve Increased Beyond Capital—Origin and Development of "The Trust Company Idea."

EARLY OPENING OF VANCOUVER OFFICE ANNOUNCED

F. W. Harcourt, K.C., and James Ryrie Join the Board of Directors

The Annual Meeting of the Shareholders of National Trust Company was held Thursday at noon in the Company's Board Room, with the President, Sir Joseph Flavelle, Bart., in the chair. In moving the adoption of the Report and Statement which appear below, the President said:

President Recounts Canada's War Effort

Canada has secured added importance during the War. We have attracted world attention not given to us before. We can refer therefore with grateful pride to the honorable part which we have borne.

400,000 men voluntarily offered for Overseas service and a further 100,000 were selected under the Military Service Act. Of these the great majority went to form our own Canadian Army Corps. You will agree with me that it is fitting to place on the records of this first annual meeting following the War, the common testimony of all Ranks and Services of friends and enemies alike, that our brave Canadian Divisions were second to none as effective fighting units. We have just and deep pride in them.

Nor must we forget the large number of Canadians who served outside the Canadian Corps. The Canadian aviator proved resourceful, and was given high rank for his work in the Imperial Forces. He was in evidence where hard fighting and dangerous service had to be performed. Moreover, he represented a remarkable percentage of the air fighting forces with the British Armies in France and Flanders.

The Canadian Forestry Battalions and Railway Construction Engineers brought experience to their operations in Great Britain and France which the Imperial Authorities report as invaluable to the British operations.

The Canadian Medical Services from Casualty Clearing Station to General Hospital were held in high regard for the courage, devotion and skill of doctors and nurses alike.

The Canadian Calvalry Brigade, forming a part of an Imperial Cavalry division, fully upheld its country's honor in emulation with tried and famous British Cavalry regiments.

Turning to the Senior Service we find large numbers of Canadians serving in the Royal Naval Volunteer Reserve, particularly in motorboat patrol work, and it is well to remember that Canadians were present at the famous exploits at Zeebrugge and Ostend.

War Service at Home

While our citizen soldiers thus played their part abroad we were not remiss at home. Our women suffered sorrow and anxiety with rare patience and fortitude while keeping up an increasing volume of good works. Others of them served with efficiency in office, factory, workshop and farm.

We supported liberally, patriotic, Red Cross and other funds needed to meet conditions incident to the War.

We developed a production of munitions which was of vital importance to the fighting forces on every front, and for which we earned the grateful appreciation of the Imperial Government, on whose behalf Mr. Winston Churchill, the Minister of Munitions, recently stated: "Canada's remarkable output of munitions has played a large part in the munitioning of the British Armies, and will remain a testimony to the high value in that great struggle of all those, whether manufacturers or workpeople, who shared in the work."

We earned distinction in the production of aeroplanes and in the training of Canadian pilots in the Royal Air Force Aviation Schools and Camps in Canada. At the time hostilities ceased the Canadian output of aeroplane spruce, so difficult to secure, had reached a point representing fifty to sixty per cent. of the entire requirements for British planes.

We accumulated great stores of wealth through extreme world prices paid for agricultural and other supplies which nature and our industry gave to us, as well as from returns received from industrial developments in munitions and general war material. From this wealth we, who had hitherto been a borrowing country abroad, loaned to our own Government no less a sum than $1,350,000,000.00 to carry on the War, and yet had left over sufficient to extend loans of hundreds of millions of dollars to the hard-pressed British Treasury.

In all these world activities so new and so unexpected to us, we can say to all enquirers that the heart of our people was in them. We gave instant and spontaneous expression of this in those early months following **August, 1914**—there was the rally of men at Valcartier and the gifts of grain and flour by the Federal and Provincial Governments to the Imperial Government. When the struggle hardened into a test of endurance with the call for men, and still more men and money, we gave ungrudgingly.

We, therefore, do well to reflect upon the work which we have done.

Grave Problems Ahead

We have, however, finished with the War. Our problems are in the future. There is much clearing up to be done, but our constructive work will be in peaceful pursuits. We will do well, therefore, to remove the spirit of War from among us. Financial institutions, industrial corporations, labor organizations, returned soldiers and educational activities should not be separated forces with latent or outspoken antagonisms, but co-operative bodies, each endeavoring to understand the other and all recognizing obligation to the community as a first claim.

These are not mere platitudes. The world has a rough time ahead in the readjustments which are inevitable. Men engaged in finance, in commerce, in agriculture, in labor, in educational work, should therefore bring wisdom and restraint in to the struggle.

Co-operation the Solution

We will not secure a sound solution of these problems by retaining chiefly a fighting spirit, however deeply we may feel the need for reform. The solution will come through patient personal effort and through wise regulations by Governments. It will come through conviction concerning needed reforms, accompanied by good fellowship, mutual confidence and personal industry. The way of progress will not be found in distrust and angry agitation, but in hard knocks given and taken in good part, in productive work commonly undertaken and in co-operative effort which accepts responsibility to the community as a binding obligation.

Outlook Warrants Confidence

We need not be disturbed because of vigorous differences of opinion among us. They are a sign of health in a virile people. If men and women in Canada will play their part—we need not fear the decisions which will be reached. We will observe law and maintain orderly Government and will not mistake mere agitation for power. We will remember that for economic and social security we have great areas of unoccupied agricultural lands, which will be the homes of contented and prosperous peoples. We have large potential wealth in timber reserves, in mines and in fisheries. We will continue our industrial development in products for home and export trade. Our outlook, therefore, warrants full confidence at home and abroad in our future and in the institutions which perform the necessary service to meet the need of ever enlarging developments.

Year's Business Most Satisfactory

Turning now to the report of your Board of Directors for the year 1918, which has just been presented, I believe you will consider it most satisfactory. Both the Profits and the Assets under Administration show substantial increases over those of a year ago. The continued growth of the Company is marked evidence of the public confidence it enjoys. I am going to ask the General Manager in a few moments to address you, and he will deal at length with the balance sheet.

On the 19th day of May last Mr. Z. A. Lash, K.C., LL.D., one of the Vice-Presidents of the company, celebrated the 50th anniversary of his call to the Bar of the Province of Ontario. I think it fitting, therefore, on this occasion for me to acknowledge on behalf of the Shareholders, the Board of Directors, the General Manager and the other Executive officers, the signal service which Mr. Lash has rendered to the Company. He has been a Director and one of the Vice-Presidents of the Company since its organization, and in those capacities has given largely of his time and ability to further its interests. Moreover, his great influence has been instrumental in directing to the Company business of the very highest importance.

It is with deep regret your Directors have to record the death during the year of Mr. George H. Watson, K.C., who was a member of the first Board of Directors and was reelected at each annual meeting of shareholders since that time., Mr. Watson always evinced an active interest in the affairs of the Company.

Your Directors also deeply regret having to record the death during the present month of the Hon. Mr. George W. Brown of Regina, a member of our Western Advisory Board. Mr. Brown was a good friend of the Company and took a keen interest in its affairs.

Subscriptions to War Funds

During the year your Directors authorized the following subscriptions:

$1,000 to the Toronto Military Service Fund of the Young Men's Christian Association.

$1,000 to the Navy League of Canada.

$500 to the Catholic Army Huts.

$250 to the Italian Red Cross Society.

These, with the subscriptions of $10,000 to the Toronto and York County Patriotic Fund Association, and $250 to the Maple Leaf Club, previously authorized, make a total of $13,000 paid during the year 1918. In addition, your Directors have since December 31st, 1918, authorized a further subscription of $1,000 to the Salvation Army Huts, payable this year.

Before moving the adoption of the Report I will ask the General Manager to address the meeting.

GENERAL MANAGER'S REMARKS

The General Manager, Mr. W. E. Rundle, spoke as follows:

The President has referred to the gratitude we all feel at the victorious ending of the war, and to the splendid achievements of Canada.

My first desire, therefore, upon rising to address you this afternoon is to express our heartfelt sympathy with the relatives and friends of those of our staff who, during the war, gave their lives in the service of their country. Fifty-three of our men enlisted, of whom nine were killed in action, one died in service, while many others were wounded. We feel a pride in the part played by our staff, and to keep its recollection ever before us, a fitting memorial is in contemplation. Of those who have survived 12 have already returned to the service of the Company and the others will be welcomed back as soon as they have received their discharge from the Army.

I also desire to call the attention of the shareholders to-day to the loyal and cheerful manner in which the staff at home discharged the added duties and responsibilities imposed upon them by the absence of those at the front.

Net Earnings Increased

A year ago I pointed out that before we again met, the Company would have attained its twentieth birthday, and I promised to review its progress during the twenty-year period. Before doing so, however, you will doubtless expect me to make some comment upon the Report of your Directors just presented. I believe you will consider it an eminently satisfactory one. The net earnings again increased substantially and were equal to slightly over 17¾ per cent. upon the Capital, or 8 9-10 per cent. upon the combined Capital and Reserve. This result has been obtained through the increased volume of our business, and notwithstanding the marked reduction again in 1918 in our mortgage loans, which bore a higher rate of interest than do the Government securities in which the funds were re-invested.

Mortgage Loans Decrease While Government Securities Increase During War

If the Shareholders will refer to the Company's reports for the years prior to the war, they will note the steady increase from year to year in mortgage loans. On the other hand they will observe from the reports of subsequent years the striking decrease in these loans all through the period of the war. High prices for farm products have not only enabled the farmers of Canada to meet their interest payments promptly, but to reduce the principal indebtedness as well.

As mortgage loans were paid paid off instead of reinvesting in mortgages the Company adopted the deliberate policy of investing the monies in Government securities. This change represents in part the Company's effort to meet the obligation resting upon it to assist our governments in financing Canada's part in the War by taking up as large a share as possible of the War Loans. Of the various War Loans put out by the Dominion Government alone, we subscribed $7,686,600 for ourselves and our trusts. In addition we bought Provincial Government securities as well as some of those issued by Allied Governments.

The war being at an end, we shall resume our effort to increase our mortgage loans, a class of investment which, both as to rate of interest and security, we have found most excellent.

How Profits Were Distributed

You will observe that in distributing the balance at the credit of the Profits Account your Directors, —after making certain contributions to Patriotic, Red Cross and other like funds, and provision for the Dominion Government War Tax, and after providing for a dividend of 10 per cent. to the Shareholders—have added $100,000 to the Reserve Fund; written $50,000 off Office Premises; and set aside $50,000 to a Special Reserve for new branches. The Reserve Fund is now greater than the Capital and stands at $1,600,000, while the Capital is $1,500,000. The amount written off Office Premises is simply the continuation of a policy adopted some years ago.

Company to Open Vancouver Office

With regard to the amount set aside for new Branches your Directors have recently had under consideration certain recommendations of the General Manager for the extension of the Company's business in Western Canada. It is not so long ago that our Branch Offices in that part of the Dominion were almost solely mediums for the lending of money on mortgage. Trusteeships were few. The great increase in wealth, however, which has come to Western Canada in recent years has enlarged the demands for the services of the Corporate Trustee. We think it is the part of wisdom—and will be to the advantage of the Shareholders—to keep abreast of the development of the Western Provinces even if for a few years and until new branches become self-supporting they need some assistance from the Head Office. Where a Company confines itself, as we do, to a purely Trusteeship and Agency business, and refuses to engage in the promotion, financing or under-writing of new enterprises, or in the development or exploitation of real estate, it takes time to establish a Branch Office upon a paying basis. Executorships, Trusteeships and Agencies obviously come slowly and are of gradual development while the remuneration allowed us in connection therewith is small compared with the work and responsibility involved. Hence the decision of your Directors to avail themselves of the opportunity afforded by the excellent profits of the past year and to set aside the sum of $50,000 for the purpose to which I have referred. At an early date the first step in pursuance of the policy of extension will be taken by opening an office in Vancouver, B.C.

Assets Increase $3,000,000

An outstanding feature of the Report for 1918 is another large increase—namely $3,000,000 — in the Assets under Administration, which now aggregate $80,091,670.74. These yearly increases evidence a general feeling throughout the country that a Trust Company is the best and safest administrator and custodian of estates and trust funds. The public is rapidly coming to realize that the personal trustee is not the best agent for executing trusts. Even the impression—formerly so strong—that personal administration is more economical than trust company administration is dying out. The impression probably arose from the fact that personal executors were often unwilling to accept fees for a service which they performed through motives of friendship and so gave their services gratis. In reality such a course was seldom economical for the estate, and it had few other advantages. It made unfair exactions from the executor in time and responsibility, and in personal loyalty and generosity and it often left out of consideration the executor's ability to manage the property entrusted to him.

It would be fairer to say that free service by personal executors is more frequently an extravagance than an economy and growing experience with trust companies and with personal executors is establishing a general conviction that a corporation is the rational choice for fiduciary positions.

Our investments are of the highest character, and it will be of special interest to the Shareholders to know that, although since the outbreak of the war in 1914, the tendency of prices of first-class securities has been downward, the bonds, debentures and stocks held on Capital and Guaranteed Trust Accounts are carried in the balance sheet presented to-day at figures substantially below their present market prices.

Record of Twenty Year's Progress

And now I come to a sketch of the Company's progress during its short life of twenty years. Put into a paragraph it is this. In August, 1898, the Company opened its doors in King Street, Toronto, for business. It had a Capital of $1,000,000, with a Reserve of $250,000. These two items constituted the whole of the Assets under its administration. It had no Trusteeships; in fact, no other business than to invest the sums mentioned. It had but the one office and staff of five. To-day we have six offices in Canada and a special representative with office in London, England. Our staff numbers 218. Our Capital has grown to $1,500,000, and the Reserve to $1,600,000, while the Total Assets under Administration amount to over $80,000,000. Nor is this the full story. In addition to the Assets under our Administration we have been appointed Trustee for bond issues aggregating hundreds of millions of dollars, and Transfer Agent and Registrar for the shares of Companies whose combined Capitalization amounts to hundreds of millions more, while we are also Trustee in scores of escrow transactions where the value of the properties held on behalf of others also runs into large figures. The duties performed under the Trusteeships are varied and bring the Company into touch with a very large clientele. Since the war broke out our services have been sought to no inconsiderable extent by British, French and Belgian capital to look after their interests abroad.

I submit that the record of achievement I have so hastily outlined is one of which the Shareholders may feel proud. I am sure it far surpasses even the greatest expectations and hopes of its founders.

It might be interesting to illustrate the Company's rapid growth by giving the Assets under Administration at different periods, 5 years apart, beginning with 1898, the year of incorporation:—

1898 Assets under Adminstration		..	$ 1,250,000.00
1903	"	..	6,773,342.60
1908	"	..	17,021,994.72
1913	"	..	44,515,502.17
1918	"	..	80,091,670.74

Before closing I should like to say a word or two, which I trust will interest you, about the growth generally of Trust Companies. It is well known that as the wealth of the citizens of a country accumulates, the necessity for a Trustee increases. This is not only true in the more personal and private sphere of administering estates under wills, but in scores of other ways too numerous to mention, which modern relations, both personal and corporate, have imposed upon business and society.

Growth of Trust Companies

While the greatest development of the modern trust company has been in the United States, it is of unusual interest to us to know that the Trust Company idea had its origin within the British Empire. In 1830 a Select Committee of the British House of Lords appointed to inquire into the affairs of the East India Company, presented its report, in which attention was directed to financial concerns in India, known as Agency Houses, which for some time had been carrying on a sort of agency or trust business. It may further surprise many of you to learn that the idea of a Public Trustee also originated in India, and dates back to the days of the East India Company.

In Europe the personal trustee held full sway until recent years. But even in conservative Britain there is now a marked tendency to demand the services of a corporate or official Trustee. As estates became larger, more valuable and varied in character, experience—at times bitter experience—taught the necessity for a trustee with undoubted financial responsibility and trained capacity.

In the United States the demand for a corporate trustee has become universal. Thus the growth and success of Trust Companies there has been phenomenal, especially during the last twenty-five years. In 1891 it was authoritatively reported that there were 171 companies in that Country. By 1918 there were 2,141 companies.

For the total assets administered by United States Trust Companies there are no complete figures available, but conservative and expert estimates places the present aggregate at approximately nineteen billions of dollars. How faithful these companies have been as trustees is shown by an equally remarkable record. The Trust Company has won its way in the United States, and fully merits the high and influential place it occupies.

Trust Company Development in Canada

In Canada, although charters were issued earlier, we really date our history of Trust Companies from 1882, when the first company actually began business.

At the time our own Company was incorporated in 1898 (20 years ago) the assets under the administration of Canadian Trust Companies amounted to $15,000,000. Now, according to the latest and fullest figures available, they amount to $489,000,000. Product as it is, of practically the last twenty years, this volume of property under the administration of Canadian Trust Companies is impressive. The twenty-year period referred to coincides with the period of Canada's greatest material progress. But when we remember that Canada is only at the starting point of her economic development we get some glimpse of the future possibilities and prospects for Trust Companies in Canada.

The confidence which I expressed a year ago in the continued prosperity of the Company has been borne out, and I look forward to another year of progress.

In closing I desire to acknowledge the valuable services of Messrs. Thomson, Dickson & Shaw, and of Messrs. Finlayson, Auld & Mackechnie, agents of the Company at Edinburgh and Glasgow, respectively.

Mr. H. B. Walker seconded the adoption of the report which was carried unanimously.

National Trust Company, Limited

DIRECTORS' REPORT FOR 1918

The Directors have pleasure in submitting herewith their Twenty-first Annual Report, showing Statement of the Assets and Liabilities of the Company as at 31st December, 1918, together with the Profit and Loss Account for the year ending on that date.

The net Profits, after providing for all cost of Management, Directors' and Auditors' Fees, Contingencies, etc., amount to $266,784.35. To this must be added the sum of $122,398.62 brought forward from 1917, making the total at credit of Profit and Loss Account $389,182.97, which has been appropriated as follows:

(a) To pay four quarterly dividends at the rate of 10 per cent. per annum, amounting to $150,000.
(b) To Transfer to Reserve Fund $100,000.
(c) To Transfer to Special Reserve for New Branches, $50,000.
(d) To write off Company's Office Premises, $50,000.
(e) To pay subscriptions to Patriotic, Red Cross and other funds, $13,000.
(f) To provide for Dominion Income War Tax, $14,000.
(g) To carry forward in Profit and Loss Account, $12,182.97.

Respectfully submitted,
J. W. FLAVELLE, President.

ASSETS

CAPITAL ACCOUNT:		
Real Etate Mortgages	$ 596,666.20	
Bonds, Debentures and Stocks	1,221,290.86	
Real Estate, including Company's Buildings and Safe Deposit Vaults in Toronto, Montreal, Winnipeg, Edmonton and Saskatoon	610,488.59	
Loans on Collateral Security of Bonds, Stocks, etc. and Advances to Estates, Trusts, etc.	467,598.49	
Cash on Hand and in Bank	342,177.28	
		$ 3,238,221.42
GUARANTEED TRUST ACCOUNT:		
Real Estate Mortgages	$4,922,531.08	
Bonds and Debentures	1,151,690.82	
Loans on Collateral Security of Bonds, Stocks, etc.	453,586.00	
Cash on Hand and in Bank	370,092.44	
		6,897,900.34
ESTATES, TRUST AND AGENCY ACCOUNTS:		
Funds and Investments		69,955,548.98
		$80,091,670.74

LIABILITIES

CAPITAL ACCOUNT:		
Capital Stock	$1,500,000.00	
Reserve Fund	1,600,000.00	
Special Reserve for New Branches	50,000.00	
Mortgage Loans in process of completion	25,986.69	
Dividend No. 76, due Jan. 2nd, 1919	37,500.00	
Appropriated to provide balance Dominion Income War Tax	12,551.76	
Profit and Loss	12,182.97	
		$ 3,238,221.42
GUARANTEED TRUST ACCOUNT:		
Guaranteed Trust Funds for investment	$4,872,052.64	
Trust Deposits	2,025,847.70	
		6,897,900.34
ESTATES, TRUST AND AGENCY ACCOUNTS		69,955,548.98
		$80,091,670.74

Profit and Loss Account

Balance 31st December, 1917	$122,398.62
Net Profits for the year after deducting cost of Management, Directors' and Auditors' Fees, Contingencies, Etc.	266,784.35
	$389,182.97
APPROPRIATED AS FOLLOWS:	
Quarterly Dividends Nos. 73, 74, 75 and 76 at the rate of 10% per annum	$150,000.00
Transferred to Reserve Fund	100,000.00
To Transfer to Special Reserve for New Branches	50,000.00
To write off Company's Office Premises	50,000.00
Subscriptions to Patriotic, Red Cross and other funds	13,000.00
To Provide for Dominion Income War Tax	14,000.00
Balance Carried Forward	12,182.97
	$389,182.97

Auditors' Certificates

We have audited the books of and the securities held in respect of Capital and Trust Funds at the Head Office of National Trust Company, Limited, for the year ended 31st December, 1918, and we report thereon to the shareholders as follows:—

The books are properly kept, the securities are in order. The Trust Funds and investments are kept separate from the Company's own funds and invstments and are shown on the books of the Company as belonging to the several Trusts, Estates and Agencies, on behalf of which they are held; and

WE CERTIFY that our requirements as auditors have been complied with, and that the above Balance Sheet (in which the accounts of the Branch Offices of the Company are duly incorporated as certified by their respective Auditors) is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as shown by its books.

JOHN MACKAY,
GEO. EDWARDS
Auditors.
Chartered Accountants.

I have audited the books of, and the securities held in respect of Capital and Trust funds at the Montreal Office of National Trust Company, Limited, for the year ended the 31st December, 1918, and I report thereon to the shareholders as follows:—

The books are properly kept; the securities are in order; the Trust funds and investments are kept separate from the Company's own funds and investments and are shown on the books of the Company as belonging to the several Trusts, Estates and Agencies on behalf of which they are held; and I CERTIFY that my requirements as Auditor have been complied with, and that the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at its Montreal branch as shown by its books.

G. DURNFORD, C.A.,
Auditor.

We have audited the books of, and the securities held in respect of Capital and Trust Funds at the Winnipeg, Edmonton, Saskatoon and Regina Offices of National Trust Company, Limited, for the year ended 31st December, 1918, and we report thereon to the shareholders as follows:—

The books are properly kept; the securities are in order; the Trust Funds and investments are kept separate from the Company's own funds and investments and are shown on the books of the Company as belonging to the several Trusts, Estates and Agencies on behalf of which they are held; and

WE CERTIFY that our requirements as Auditors have been complied with, and that the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at the said Branch Offices as shown by their books.

WEBB, READ, HEGAN, CALLINGHAM & CO.,
Auditors.

DIRECTORS

The following were elected Directors of the Company for the ensuing year:—

SIR JOSEPH FLAVELLE, BART.,
President The Wm. Davies Company, Limited
Z. A. LASH, K.C., LL.D.,
Of Messrs. Blake, Lash, Anglin & Cassels, Barristers;
Vice-President Canadian Bank of Commerce.
E. R. WOOD,
President and Managing Director Central Canada Loan & Savings Company.
HON. MR. JUSTICE BRITTON
CHESTER D. MASSEY,
Hon. President Massey-Harris Company, Limited.
ELIAS ROGERS,
Vice-President Imperial Bank of Canada.
ALEX. BRUCE, K.C.,
Of Messrs. Bruce, Bruce & Counsell, Barristers.
H. C. COX,
President and General Manager Canada Life Assurance Company.
H. H. FUDGER,
President The Robert Simpson Company, Limited.
H. B. WALKER,
Manager Canadian Bank of Commerce at Montreal.
HON. SIR EDWARD KEMP, K.C.M.G.,
Minister of Overseas Military Forces of Canada; President Sheet Metal Products Company of Canada, Limited.
J. H. PLUMMER,
Director Dominion Steel Corporation, Limited.
HON. F. H. PHIPPEN, K.C.,
H. J. FULLER,
President Canadian Fairbanks-Morse Company, Limited, Montreal.
F. W. MOLSON,
Director The Molsons Bank, Montreal; Director Montreal City and District Savings Bank.
T. B. MACAULAY,
President and Managing Director Sun Life Assurance Company of Canada, Montreal.
W. M. BIRKS
Vice-President Henry Birks & Sons, Limited, Montreal.
Director The Molsons Bank.
E. M. SAUNDERS,
Treasurer Canada Life Assurance Company.
SIR JOHN AIRD,
General Manager Canadian Bank of Commerce.
J. HARRINGTON WALKER,
President Hiram Walker & Sons, Limited, Walkerville.
THOMAS FINDLEY,
President and General Manager Massey-Harris Company, Limited.
W. E. RUNDLE,
General Manager National Trust Company, Limited.
FRED. W. HARCOURT, K.C.,
Of Messrs. Osler, Hoskin & Harcourt, Barristers.
JAMES RYRIE,
President Ryrie Bros., Limited.

The meeting then adjourned.

At a subsequent meeting of the Board of Directors—
SIR JOSEPH FLAVEVLLE, BART.,
was elected President
and
Messrs. **Z. A. LASH, K.C., LL.D., E. R. WOOD and W. E. RUNDLE,**
Vice-Presidents,

and the following were appointed members of the Advisory Board at Winnipeg:
A. McT. CAMPBELL,
Manager Canada Life Assurance Company, Winnipeg.
SIR DOUGLAS CAMERON, K.C.M.G.,
Ex-Lieutenant-Governor Province of Manitoba.
KENNETH MACKENZIE,
Director Canada Life Assurance Company, Winnipeg.
GEORGE W. ALLAN, M.P.,
Of Messrs. Munson, Allan, Laird & Davis, Barristers, Winnipeg.

NEWS AND VIEWS FOR MANAGERS

BANKERS URGED TO CONTEND WITH FOREIGN PROBLEM

American Idea is That His Departure Will Be Big Loss

A FINANCIAL FACTOR

In Leaving the Country They Are Taking Millions With Them—A Question of Encouraging Investment

While in Canada there is an effort—a commendable one if carried out moderately and intelligently—to replace alien workers with returning soldiers it is interesting to note that last week there was a dinner at the Blackstone Hotel, Chicago, attended by leaders of American finance, gathered for the purpose of discussing problems of reconstruction as especially affecting the foreign born population. The financial leaders who were responsible for the gathering and the movement which it signifies take the attitude that the foreign born—a vast body of potential citizens, hard workers, as a class, and habitual savers,—has been neglected heretofore by men of affairs, who failed to realize its importance to the Nation's welfare, or the wealth which its aggregate savings represents.

In New York a group of far-sighted men who are accustomed to solving big problems, have formed the Inter-racial Council for the study of racial relations, to be followed by effective action. Their representatives at the dinner included General Coleman du Pont, Frances A. Keller, and A. J. Hemphill, chairman, board of directors, Guaranty Trust Company. Mr. Hemphill presented a constructive statement regarding the savings of the foreign born in America.

Fifteen hundred millions of dollars is the estimated savings of immigrants in America since the war broke out in Europe and checked the steady outflow of their earnings to the old world.

Such was the testimony before the Senate Propaganda Committee, of Mr. Lajos Steiner of the Chicago War Trade Board, and he added the significant statement that this vast sum was not being deposited in American banks or institutions, nor was it being held for investment in American homes or business. It is simply being held idle by the industrious and frugal wage earners, with the purpose of sending abroad when opportunity offers.

Before the war, it was stated, about four hundred million dollars went abroad annually from these workers, some of it to support needy relatives, but a large part, by far the greater part probably, is placed in European banks until the total will yield an income for the owner sufficient for his comfort according to the standards of his homeland.

When the immigrant finally follows his savings, America sustains a double loss, for the willing, industrious worker is an asset, just as the accumulation of his savings is an asset.

A Loss When They Return

Why does America lose both men and money at such a rate? No less than five million immigrants want to return, Mr. Steiner claims, and this statement is corroborated by the crowds that are trying to secure steamship accommodations and obtain passports. Before the Custom House in New York city may be seen frequently a line of sturdy, muscular men, closely packed and pressing forward in their eagerness to enter the portal. They are the type of Italians, Hungarians and Slavs who do the rough, heavy work of this new land. Why are they as anxious to leave as they formerly were to enter "the land of promise?" Largely because the promise was not kept.

It is suggested that one of the explanations is that the banks have not been giving sufficient encouragement to the possibilities of the development of the "foreigner" as a business prospect. The Inter-Racial council makes the following suggestions which may be considered with interest by Canadian bank managers although addressed to American "brethren:"

Establish staffs of foreign language speaking clerks and tellers. Drill them and entire staff in habits of courtesy to foreign born.

Arrange banking hours to meet needs of workers, and establish branches in foreign quarters or near factories if necessary. Have agents call at factories on pay day to receive deposits and open accounts.

Advise foreign born on sound investments such as securities, insurance, real estate, and especially homes. Lend every help to the immigrant in buying a home. The home-owner is the most substantial element in the community, the reliable worker in industry, the least susceptible to the preachers of sedition and disorder, the most consistent saver. The accounts of such people may be small, but they are not insignificant, for the stability of industry rests upon them. Banks could well afford to carry such small accounts at a loss for that reason, and should regard assistance to the home-buyer as a good investment, even though there is no immediate return.

Laws regarding holding and transfer of real estate, payments of taxes, assessments, liens, etc., should be clearly explained to foreign born and the bank should be interested to prevent the loss of a home or unjust legal charges against property.

In view of this attitude of important American financiers it is questionable if in Canada the foreigner should simply be removed from a position to make way for a returned soldier without looking further ahead. The soldier is entitled to the position but there may be other work in the country which the soldier does not want or cannot fill which would be better done by the foreigner than to have the latter leave the country altogether.—J.W.T.

EXCHANGE

The market for New York funds has been dull and narrow this week, quotations holding pretty steadily around 1 29-32 per cent. The course of exchange from day to day has been as follows:

Feb. 21.—1 29-32 to the seller, closing 1 59-64.
Feb. 22.—1 29-32 to the seller.
Feb. 24.—1 29-32 to the seller.
Feb. 25.—1 29-32 to seller and buyer.
Feb. 26.—1 29-32 to seller and buyer.
Feb. 27.—1 15-16 to seller and buyer.
Feb. 28.—1 15-16 to 1 31-32.

There has been no change in sterling. Demand opened and closed at 4.75¾, while cables remained at 4.76 7-16.

Francs have shown weakness. Cheques opened at 5.45⅞, advanced to 5.45¾, then fell to 5.46, and yesterday were off at 5.46½. Cables went from 5.45 3-16 to 5.45⅛ to 5.45 3-16 to 5.45½.

BRITISH OVERSEAS BANK

LONDON.—The Anglo-South American Bank, Glin, Mills, Currie and Company, the Northern Banking Company of Belfast, the Union Bank of Scotland, and Williams, Deacon's Bank, are combining to furnish capital for a new banking institution, to be called the British Overseas Bank, the special object of the bank being to facilitate and finance foreign trade. The London Times announces that it understands that the new bank's capital will amount to about $10,000,000 and be divided into ordinary and preference shares, the former being subscribed by the banks participating in the new venture and the latter by the general public.

SPECIALIZED TRAINING FOR OUR BANK MEN

Changes Likely to Develop in Methods in the Near Future

SOME SUGGESTIONS

Banks Should Get Together and Provide Courses of Lectures or Addresses on Important Business Themes

Now that ordinary activities are assuming to some extent a more normal poise I find a wide-spread view among bankers that far-reaching changes may develop in relation to the training of bank men.

Perhaps, before the war, the evolution of a bank clerk into a manager was taken more or less as a matter of course; then growth was to a great extent left like Topsy's, to nature. They had to pass through the various stages; experience the usual number of transfers on 24 hours' notice to secure a breadth of experience—or fill a pressing vacancy elsewhere,—and, under a rather inelastic routine, they grew, or dropped out of the service.

More Individual Attention

The suggestion has been made, and will be taken up here in some detail in the near future, that more individual attention should be paid to the younger bank clerks as they come in; that their capacities be noted early, and those who seem likely to develop to proficient men be given special training; special opportunities, as soon after they enter the bank's employ as possible; that less be left to chance than formerly; that the training be more systematic and comprehensive. There is a suggestion underlying this that the average bank clerk would fall into one of two classes: the man who will grow bigger, and the man who will become an ordinary mechanical figure.

Unite for Education

But more of this later. For the present I would like to bring before the bank men of Canada—managers and head office men—a suggestion made to me by one who has had a wide experience both as a manager, and a head office man in a highly responsible position. He believes that the banks in the large cities should unite and arrange for the better education of the members of their staffs. He would have a general manager meet the staffs of all the banks in Ottawa, or Halifax, Quebec, London, Winnipeg, Vancouver and other large centres, and give them a broader view of banking from his own valuable experience.

Not only so, but he would have a steel expert, or a textile man, a pulp and paper mill manager, address the bank men, and enlighten them on some of the more vital features of the industry in its relation to Canada. The knowledge they imparted would give the bank men clearer visions in dealing with commercial transactions, industrial reports, applications for loans, etc., and would enable them to take a more intelligent perspective of the whole business world.

Special Courses

He would add to this special courses in the University centres, requiring actual attendance at lectures where possible, or correspondence courses where this was impossible (such as are now provided by one university). These courses would be in the evenings, outside banking hours, and some recognition should be given to the men who developed themselves in this manner.

These would comprise only a few of the new channels for the development of the bank man, from clerk to manager, that he urges, in an effort to build up the average all over the country, and fit the coming or existing managers for the bigger and bigger place they are destined to occupy in the development of this country.

I would appreciate hearing from bank managers on the practical value of these suggestions.—J.W.T.

WAR SAVINGS IN B.C.

Campaign Not a Success in Pacific Province

VANCOUVER.—The National War Saving campaign, as far as British Columbia is concerned, was not a great success during January, the first month, total sales amounting to $25,000, though there are still 271 units to hear from. With a goal of $5,000,000 before them for the present year, a sum of about $450,000 will have to be raised monthly for the remainder of the year. The committee, in issuing its report, points out that the month was occupied mainly in organization work, with very little advertising being done. With the schools conducting an earnest educational campaign and the stores finished with stocktaking, Chairman Campbell Sweeny is confident that the sales for the present month will greatly exceed those of January.

STOCK MARKETS ARE DISCOUNTING AN IMPROVEMENT

Continued from page 1

ment to large numbers. While there may be disappointment in some quarters that programs are not more extensive, yet, taken in the aggregate, the outcome of these policies should be favorable for the business of the country.

The stock markets have been broadening out and there has been a call for a good many issues that have not been traded in to any extent for a long time. Pulp and paper issues have been particularly prominent as representing a basic industry in which Canada holds a recognized supremacy. On the other hand, the recent buying of mining stocks has fallen off, though this is only to be regarded as a temporary condition. In the bond field conditions are rather quiet, more because there is a scarcity of issues than for any lack of demand. Victory bonds continue in request and their standing in the market is one of the most encouraging features of the situation. Money is in good supply and there is a steady call for all the better grades of investment offerings.

CHANGES DURING THE WEEK

	Last Feb. 20	Sales Feb. 27	Ch'ge
F. N. Burt, com.	82	86	+ 4
Converters	47	49¼	+ 2¼
Locomotive, com.	60	63	+ 3
Petroleum	21.75	23.00	+1.25
Macdonald	21½	24¾	+ 3¼
Maple Leaf, com.	136	138	+ 2
Nat. Steel Car, com.	9	16	+ 7
Do., pref.	31⅛	52	+20⅞
Ogilvie, com.	206	200	— 6
Penmans, com.	86	91¼	+ 5¼
Russell, pref.	77½	80	+ 2½
Can. Pacific	*160	163½	+ 3½
Bk. of Hamilton	189	185	— 4
Standard	*209	212	+ 3
Span. River, pref.	71¾	77½	+ 5¾
Price Bros.	167	190	+23
Abitibi	54	66	+12

*No sales this week.

THE
BANK OF NOVA SCOTIA
INCORPORATED 1832

CAPITAL, - - $ 6,500,000
RESERVE, - - 12,000,000
TOTAL ASSETS, over 130,000,000

HEAD OFFICE, HALIFAX

BOARD OF DIRECTORS:
Charles Archibald, President
G. S. Campbell and J. Walter Allison, Vice-Presidents
John Y. Payzant — Hector McInnes
Hon. N. Curry — James Manchester
W. W. White, M.D. — S. J. Moore
W. D. Ross — Hon. M. C. Grant

GENERAL MANAGER'S OFFICE, TORONTO
H. A. Richardson, General Manager. J. A. McLeod, Asst. General Manager.

A general banking business transacted. Letters of Credit issued, drafts bought an[illegible] payable in all pa[illegible] of the w[illegible]

THE FINANCIAL POST

President - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - H. T. HUNTER
Manager - - - - - - GORDON RUTLEDGE
Editor - - - - - - - J. W. TYSON

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports of official notices of corporations, will be inserted in the news columns unless marked "Advertisements."

Advertising matter is investigated before publication, and none of known questionable character is accepted Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration of any item.

ADVERTISING RATES:

Single insertion	$ 2.10 per inch
Yearly insertion	58.25 per inch
Financial Reports, Debenture Notices, etc.	15c per agate line.

SUBSCRIPTION PRICE:

Canada and Mexico	$3.00 per annum
United States	3.50 per annum
Great Britain, Ireland and Colonies having minimum postal rates	12s. 6d.
France and other Countries	16s. 6d.

Subscribers are especially requested to report any instance of delay or non-delivery of THE POST.

PUBLISHED BY
THE MACLEAN PUBLISHING COMPANY, LIMITED

143-153 University Avenue, Toronto.

MONTREAL, Southam Building, 128 Bleury St., M. Foster; WINNIPEG, 1207 Union Trust Building, C. W. Byers; BOSTON, 733 Old South Bldg., C. L. Morton; NEW YORK, Room 620, 111 Broadway, R. B. Heustis; CHICAGO, Room 900 Lytton Bldg., 14 E. Jackson St., A. H. Byrne; GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet St., E.C., E. J. Dodd, Director.

TORONTO, MARCH 1, 1919

MANITOBA'S MYSTERIOUS FINANCING

IT is to be regretted that the Provincial Treasurer of Manitoba, Hon. Edward Brown, does not see fit to disclose the details of recent provincial financing. Surely the people of Manitoba, not to mention the financial houses which would be interested in the handling of provincial securities, are entitled to know something about the disposition of their bonds. Secrecy inevitably breeds suspicion and there should be no suspicious circumstances surrounding the transaction of such important public business as the flotation of bond issues.

We wish to take issue with Mr. Brown on his contention in the Manitoba Legislature on Monday that the sale by public tender is a very crude way of financing. It is a method that commends itself to the best judgment of the foremost financiers, and from the standpoint of the public, whose interest should be paramount, it is the only proper and businesslike method to pursue. We are firmly of the opinion that the private sale is not in the best interests of the province of Manitoba and that the people of the province should in future insist on the public sale of their bonds.

CANADA'S DUTY TO HALIFAX SUFFERERS

FROM the first THE FINANCIAL POST has contended that full and complete restitution should be made by Canada and the Empire to the sufferers from the Halifax explosion on the ground that the disaster was a direct effect of the war and thus a national obligation in every respect. Over a year ago we said:—

> Let us repeat what we have previously contended: that the burden of the Halifax disaster is a national one, in fact an Empire one. Those who suffered were brought as close to war as though they had come within the reach of German guns. Further, we believe that Canadians are ready to recompense the victims so far as is humanly possible. That being the case, something further is to be expected from the Royal Commission than caring for the injured and the homeless, however well that may be done. If Ottawa has curbed the powers of that body in the manner indicated, then we believe that the Government's members are not carrying out the wishes of those who elected them.

Now it appears from information given Canadian editors on their recent visit to Halifax that the Royal Commission is still without funds to make full restitution. Discrimination has so far been practised against the big business institutions, a large number of which represent the funds of Canadian investors. Unfortunately confiscatory legislation has been far from rare in Ontario in recent years and lately Western Provinces have been adopting a somewhat similar attitude, but it is to be hoped that in this instance when the Royal Commission again applies for the funds to complete its work, it will have sufficient public support to encourage the Dominion Government to protect the interests of investors as it has generally done in the past.

A LAW AND ITS ENFORCEMENT

WHEN the Toronto *Globe* recently dealt with the matter of the liquidation of the Dominion Permanent Loan Company, it once more displayed that unfortunate inability to comprehend or appreciate business and financial affairs which has marked its attitude upon the tariff and public ownership. In reference to the loan company's failure, it was stated:

> Had the law respecting loan corporations been framed for the protection of investors, as it should have been, the rotten state of the company's investment account would have been disclosed years ago and liquidation ordered by the Provincial Secretary.

There is only one construction to be placed upon this and that is that the law respecting loan corporations was not framed as it should have been. Did the *Globe* even go to the trouble of looking up the law in this connection? Evidently not, or surely it would never have made such a statement. Section 135 of the Loan and Trust Corporations Act, as it is to-day, provides that:

> The registrar or any person authorized under his hand and seal shall, with the approval of the Minister, have, at any time within reasonable business hours of every day except holidays, access to the books, vouchers, securities and documents of a corporation and any officer or person in charge, possession, control or custody of such books, vouchers, securities or documents refusing or neglecting to afford such access, shall be guilty of an offence and the corporation, if registered, shall be liable to have its registry suspended.

And again in Section 136, it is provided that:

> The Attorney-General of his own motion or upon an application being made to him in writing may appoint some competent person to make a special examination and audit of the corporations' books, accounts and securities and to enquire into the conduct of the bu[illegible] generally.

In the legislation [illegible] was provi[illegible] necessary machi[illegible] Governme[illegible] the retu[illegible] showed debts secured by mortgages of $3,935,000 and that receipts of cash on account of mortgages in the form of principal and interest amounted to $92,082—there was no distinction of principal and interest as provided by the Government form. Under the most favorable construction the amount only represented 2.3 per cent. of the mortgages outstanding and at the same time the Company declared that the average rate of interest received on mortgages was 7½ per cent. Again, while gross receipts of principal and interest were only $92,082, payments of debenture interest were $95,879, deposit interest $11,333, and in addition, $71,000 went to stockholders.

Had the *Globe* placed the blame upon the shoulders of Government officials, there would evidently have been some ground for the charge, but to say that there was no proper law for the protection of investors is a reflection upon the directors of many splendid institutions who have striven to make the Trust and Loan Corporations Act complete and thorough in the protection of investors, realizing that only by such protection could the necessary confidence for ultimate and permanent success be gained.

CLARKSON REPORT NOT YET AVAILABLE

IN the Ontario Legislature this week Sam Carter, member for South Wellington, asked if the Clarkson report of the Hydro finances would be presented during the present session and when the report would be printed and available for distribution.

In November last, at the dictation of Sir Adam Beck, the Ontario Hydro-Radial Association, composed of representatives of municipalities in the big public ownership power organization formally went on record as endorsing this report—WHICH THE MEMBERS HAD NEVER SEEN.

At that time one of the arguments used by Sir Adam was that THE FINANCIAL POST had examined the report and, not having made criticism of it, the delegates could be assured that all was right. We issued a direct denial of this statement at that time. Further, despite frequent inquiries made since, we have not been able to get any answer from the Parliament Buildings than that the report is "in the hands of the printers."

Here is the case of a report bearing upon financial undertakings of a gigantic character carried on under the domination of one individual, endorsed by representatives of the municipalities concerned without being seen, which three months later has not been made public and has not even been distributed to the members of the Legislature who are responsible for providing the money involved.

Could further justification of the demand of THE FINANCIAL POST for a thorough inquiry into the whole Hydro project be asked?

GETTING THE BOYS BACK HOME

THAT the Canadian railways, co-operating under the Railway War Board, are organizing to efficiently and comfortably take care of an increasing number of troops at points of disembarkation—on a basis in fact to see the last of the boys home by the end of J[illegible] if landed in Canada—is a fact which on the face of it does not seem to jibe with the removal of the big liners from the Canadian routes.

A number of explanations were heard by the Canadian editors on the occasion of their recent visit to Canada's Atlantic sea ports, but the most practical appears to be that Britain and British shippers are anxious to get back into their old place in the big business and to return the Atlantic giants to the routes for which they were built. A contributing reason too, is that the smaller boats mean a more even movement of traffic westward across Canada and this is important when as long as 20 days may be required for equipment to complete a single term of service.

The people of Canada at Halifax may take satisfaction in that we have an Atlantic harbor at Halifax, which is an effective answer to the report that there were difficulties in docking the big boats. Halifax may not have the facilities available in New York—and she lacks the "short haul" of her rival, St. John—but she has one of the finest natural harbors in the world and one which can be equipped to always take a full share of Canada's expanding ocean traffic.

EDITORIAL NOTES

SIX hour sentences for evaders of conscription give the impression that trades unionism is being taken up by the criminal class.

* * *

SIR WILLIAN MEREDITH is credited with saying that "the very best Government is an enlightened autocrat." Is an enlightened democrat too much to hope for?

* * *

THE Regina *Leader* reports that an Aylesbury district farmer is adding an aeroplane to his speed "stable," which already numbers three automobiles. Which reminds us that we have previously made the point that the Western farmer of to-day is a capitalist rather than a socialist.

* * *

A MOOSE JAW reader of THE FINANCIAL POST writes to endorse the arguments of Geo. E. White, presented in these columns, for uniform laws for the Prairie Provinces, which he says would be a great boon. The idea of uniform legislation as between the different Provinces is one which might be quite well carried out on a much broader scale than to cover the West—why not make it all Canada?

* * *

THE question of how much or how little the Governments and the big financial institutions are doing for rural as compared with urban interests is one which is usually a signal for debate whenever representatives of the different communities are gathered together. It is interesting, therefore, to note that at the annual meeting of the Standard Bank this week, the general manager, C. H. Easson, in referring to the bank's activities, spoke particularly of the service rendered to farmers and stated that in the future, as in the past, every reasonable as[illegible]ce would be given to the man on the land, while [illegible] Hall, member for South Waterloo, in moving the [illegible] Speech from the Throne in the Ontario Legis[illegible]clared that the farmers were not sufficiently [illegible]e of the service rendered them by the Gov-

DISALLOWANCE—AND SECURITY FOR PROPERTY

(Continued from last week)

A careful analysis shows that the divine right of kings, (against which our forefathers effectually protested) Prussianism, and its still formidable allies, Socialism and Bolshevism, "Confiscation of property without compensation" and the schools recently founded in the United States to teach promoters how to sell fraudulent securities, are all based on the doctrine that the moral law is not binding. Not until it is established that the moral law is universally binding—binding on mobs as well as on individuals—binding on Emperors and Kings—on Sovereigns and Sovereign States—on Empires and Republics—on Democratic Monarchies and Autocratic Democracies—on Dominions and Provinces—on Municipalities and Corporations, binding even on political parties and caucuses, will the world be safe for democracy or civilization secure.

Interpreting Constitution

If the power of disallowance had become obsolete, as stated by a former Minister of Justice, the present Government did well to restore it in accordance with the intention of those who framed our Constitution. It is also in accordance with the interpretation of our Constitution by all parties in the early days of Confederation and in more recent years, by such eminent Jurists as the Hon. Edward Blake and the Hon. David Mills. Mr. Blake, whose matured opinion on such a subject should carry great weight, several times remarked to the writer that the vital importance of the Power of Disallowance was not generally understood, but that its function would in the future be realized. The Hon. David Mills, when Minister of Justice, reported in favor of the disallowance of certain Provincial legislation referring to "Confiscation" as one of the grounds of his recommendation.

The action of the Dominion Government in the British Columbia case above referred to is therefore in accordance with the interpretation of our Constitution held by both Mr. Blake and Mr. Mills. It is fortunate that this action of the Dominion Government will tend to inspire confidence, especially on the part of Brit[illegible] United States investors, in our institutions at the present critical time when we are preparing for a period of reconstruction. The security of such capital, when invested here, is important, not so much for the capitalist, who can choose any part in the world, in which the demand for capital will become more and more insistent, and who therefore does not need much sympathy, but for the mass of the people, for it must ever be remembered that insecurity of property will certainly cause unemployment and distress on a calamitous scale.

One of the most far-sighted and public spirited of our financial authorities, Sir John Aird, in January, 1918, said: "There will come a time . . . When there will be double the number of applicants for half the number of jobs." This will indicate how greatly in the public interest was the action of the Dominion Government in disallowing the British Columbia Act above mentioned which, if permitted to remain in force, would have shaken confidence in the security of investments not only in British Columbia, but in the whole of Canada. It must be borne in mind that investors abroad do not distinguish too nicely between the laws of the Dominion and those of a particular Province, and that confiscatory legislation by any one of the Provinces injures the credit of the whole of Canada.

The fact that so many of our Provinces have no Second Chamber furnishes another cogent reason why the power of disallowance, one of the important provisions, on the faith of which the various Provinces joined confederation, should be maintained. The necessity, in the interest of the people, of some control over single legislative bodies is generally recognized. It is a matter of history that some of our Local Legislatures have given the three readings necessary to pass a Statute all in one day—in one case all in one night.

A majority of the British House of Commons passed the Declaration of London, whose effect (if it had become law) would have been grievously to hamper and interfere with the British Navy, in this, as in previous wars, the real shield of civilization and liberty, and prevent the British Navy being the potent factor it was, in shortening and ultimately winning the war. If it had become law (and it is important to remember it did not) I do not say, as some do, that it would have enabled the Germans to win the war, but most certainly it would (if it had been made binding) have increased enormously, the terrible price in blood and tears which the Allies would have been compelled to pay for Victory.

From this disaster not merely the British people, but humanity were saved by the far-sighted action of the British Second Chamber, who wisely vetoed the Declaration of London. The war has, therefore, demonstrated the imperative need, in the interests of the people, of some adequate check upon the action of single legislative bodies.

Some, who should know better, confuse the constitutional power of disallowance with the Royal veto. The difference is fundamental. The Royal veto is as dead as Queen Anne. As is shown in Professor Lefroy's excellent books on our Constitution, the Crown is one and indivisible throughout the Empire. The Judicial Committe of the Privy Council decided that for Provincial purposes the Lieutenant-Governor represent the Crown, as much as the Governor-General does for Dominion purposes. Under our system of responsible Government, the Lieutenant-Governor must act on the advice of responsible ministers. Such ministers, of necessity, command a majority in the Legislature and could not consistently, after persuading a Legislature to pass a Statute, advise the Crown to disallow it.

The Powers of Ottawa

The power of disallowance is vested in the Governor-General-in-Council as representing the whole of Canada. The whole is greater than its part, and it will be more and more realized, especially after we learn the lessons of the war, and a true Canadian national sentiment is developed, that Canada is greater than any Province. The British North America Act, as has been said by competent authority, "provides for the federated provinces a carefully balanced constitution under which no one of the parts can pass laws for itself except under the control of the whole." The proper exercise of the federal veto is not an invasion of "Provincial Rights." The powers of legislation conferred on the Provincial Legislatures were conferred subject to this veto.

For the exercise of these legislative powers the Government and Legislature of any Province are responsible to the voters of that Province. The Dominion Government are responsible for the exercise of the veto power to the voters of the whole of Canada, represented in Parliament, though on occasion they act as trustees for the British Empire of which Canada is an integral and increasingly important part.

The Dominion Government are not responsible for the policy, wisdom and expediency of Provincial legislation, and should only act in disallowing Provincial legislation, when fundamental principles of legislation are violated, and the interests of Canada as a whole prejudiced.

Compensation—due indemnity for property taken—appears to lie at the very basis of British ideas of right, of what we call British fair play. When the British Parliament freed the slaves in the West Indies, compensation was paid without question, although the English Courts had held that a slave setting his foot on English soil thereby became free.

Much more, therefore, should any Provincial Statute which can be shown to amount to "confiscation of property without compensation" and must consequently injure the credit of Canada, be promptly disallowed.

Many other reasons could be given, but these seem sufficient to justify the conclusion of the Minister of Justice that "The mere execution of the power of disallowance does not therefore conflict with Provincial rights, although doubtless the responsibility for the exercise of the power which rests with Your Excelency-in-Council ought to be so regulated as not to be made effective except in those cases in which, as in the present case, the propriety of exercising the power is demonstrated."

The vital importance of this decision has not yet been realized and its wise statesmanship can not be too strongly commended.

PERSONAL

DOUGLAS S. McMASTER, a member of the firm of C. Meredith & Co., was elected a member of the Montreal Stock Exchange this week. He is a son of Wm. McMaster, the well-known steel man, and brother of Ross McMaster, of Steel of Canada.

G. H. MONTGOMERY, K.C., who has been elected a member of the directorate of Brandram-Henderson, Limited, is one of the leaders among the younger members of the bar in Montreal. Mr. Montgomery drew high praise for his handling of the case for the newsprint mills in connection with the investigation at Ottawa and is closely connected also with power interests.

S. H. EWING, at the age of 84, presided on Wednesday of this week at the annual meeting of Montreal Cottons. This record is all the more remarkable when taken in connection with a condition learned by THE FINANCIAL POST: Mr. Ewing has been president of Montreal Cottons for seventeen years, and in all that time—67 to 84 years of age—has never missed presiding at the annual meeting. Moreover, in nearly forty years since he first became interested in this company, he has never missed an annual meeting.

E. W. BEATTY, K.C., president of the Canadian Pacific Railway Company, who has been appointed Chancellor of Queen's, is only the third to be chosen for that position in a period of thirty-nine years. He was the successor of the late Dr. Douglas, of New York, who lived only a few years after he had followed in turn Sir Sandford Fleming. The latter held office for some thirty-five years, throughout the principalship of Dr. George M. Grant and beyond, and attended Convocation proceedings at Queen's and presided when he was nearly ninety years of age, and could barely speak above a whisper. It is a coincidence that Sir Sandford was also a C.P.R. man, being in charge of some of the early surveys to the Pacific Coast in 1871, and taking part in construction work up to 1880. That same year he first became Chancellor of Queen's.

H. M. MacCALLUM, for some years general agent of the Canadian Pacific Railway Ocean Services, Limited, in Chicago, will take charge of the Toronto office, with jurisdiction over Ontario. During the nine years he lived in Chicago, Mr. MacCallum won a strong position from a personal standpoint as well in that city. He was chosen a member of the Executive of the Western Relief Fund, and served on the finance committee of the same fund, whose chairman was James B. Forgan, a well-known banker. He was also secretary of the Scarborough Club, and was given a dinner and a presentation by the members on leaving. Mr. MacCallum, according to the "Montreal Gazette," in the early days of that paper's tobacco fund for the soldiers overseas, established "A shilling a week until the war is won" fund among his friends there, and averaged seventy to eighty subscriptions every week.

JOHN BAILLIE, the new president of the Montreal Board of Trade, has become a prominent figure in the industrial circles in that city. He started his business career in connection with paint, and became president of the Canada Linseed Oil Mills. Most of his life he has been connected with the Dominion Oilcloth Company, which has the distinction of being the only oilcloth and linoleum manufacturers in Canada. This concern Mr. Baillie has managed with a large measure of success for the past thirty-three years, since 1886, and at the present time is managing director of the company. He is also a director of the Dominion Textile Company, and of Penmans, Limited, in their respective fields the largest manufacturers also in Canada. Last year Mr. Baillie was vice-president of the Board of Trade, and sat on the Council in the years 1910 and 1911.

SIR RODOLPHE FORGET, whose death occurred last week, for many years held a leading place in financial circles in Montreal. He was known at one time as the most daring broker in Montreal, and was among the first to develop the merger idea in Canadian industrial life. In political life he equally made a special place for himself, and the last session of Parliament that he attended he held the unique position as representative of two constituencies, Montmorency and Charlevoix, in both of which he had large interests, for the six years from 1911 until his retirement in 1917 when he disagreed with the Government over the conscription issue. Born at Terrebonne, Quebec, 57 years ago, he was connected with two of the leading French-Canadian families, being a nephew of the late Senator L. J. Forget, and of Sir L. O. Taillon, at one time Premier of the Province of Quebec. At an early age he entered the brokerage office of his uncle, and soon became an expert accountant and an authority, so that it was no surprise when he was made a member of the firm. From that time he became the leader of the Montreal Stock Exchange and held undisputed possession of his authority and influence for many years. One of the earliest tributes to his organizing ability was the Montreal Light, Heat & Power merger, in which the services of the late James Rose were called in to bring together the young financiers of that day, Rodolphe Forget and Herbert S. Holt, who at that time was president of the Montreal Gas Company. Mr. Ross brought the two men together, they fought out the issue, President Holt was won over, and accepted the presidency of the company, which he has held ever since. Another of the big projects in which Sir Rodolphe took a leading part was in getting the charter through the City Council of the tramways system when there was a change-over to an electric system. His uncle, Senator Forget, had succeeded Mr. Ross in the presidency of Tramways at the time. He remained a director of the Board of Tramways to his death. Sir Rodolphe also took a part in the merger known as the Dominion Textile Company. Navigation affairs claimed his interest for some time and he gave a good deal of attention to the Richelieu & Ontario Navigation Co., being instrumental in the building of the beautiful steamers, the "Montreal" and "Quebec," and for a time held the office of president of the R. & O. Co. His closest connection was with the Quebec Railway, Light, Heat & Power Company, of which he was president. He was taking the keenest of interest in the negotiations that have been going on for many months past for the taking over of the Quebec & Saguenay Railway by the Dominion Government, and always expressed himself as most hopeful of the results for Quebec Railway when this heavy load was lifted. One of his last services to the Quebec Railway Co. was the securing of increased fares and higher rates for gas. Other companies with which he was prominently connected for years were Eastern Canada Steel & Iron Works; Canadian Securities Corporation; St. Lawrence Flour Mills Co.; Canada Cement Co.; Duluth Street Railway Co.; Montreal-London Securities Corporation; Toronto Railway Co.; Murray Bay Lumber & Pulp Co.; Union Brewery Co.; Prudential Trust Co.; Wayagamack Pulp & Paper Co.; Royal Electric Co.; Crown Life Insurance Co.; Marconi Wireless Telegraph Co. of Canada; Payne Consolidated Mining Co.; La Banque Provinciale; Mount Royal Assurance Co., etc.

Every Security Holder should have this New Booklet

"War Loans, Resources & Progress of Canada"

INTERESTING THINGS ABOUT THEM

Results of the Victory Loans 1917 and 1918 compared, complete details of the results by Provinces, comparative tables showing the terms of issue of each War Loan, comparison of price of British Consols, French Rentes, U.S. Bonds prior to, during and after war periods, Funded Debt of Canada, details of Loans payable in London, New York, Canada.

Security behind Canada's Bonds including Canada's Resources and Progress in all fundamental directions, covering brief statistics 1911 to 1918, about Agriculture, Fisheries, Forests, Mines, Trade, Railways, Banking, etc. How to handle your investments.

We shall be glad to send a copy on request.

Investment Securities

A E. AMES & CO.
UNION BANK BLDG., TORONTO
Transportation Building, Montreal
74 Broadway - New York

Established 1889

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

SILVER SHEAF

F.H.A., Ottawa:—"I am writing to ask your opinion of the mining stock known as Silver Leaf. I was advised to purchase some of this stock a few days ago and I see it has advanced a little."

We have no information that would show this stock to be other than a remote speculation. The Silver Leaf property adjoins the Crown Reserve mine and is under lease to the Crown Reserve Company. The latter are working the mine and paying a 35 per cent. gross royalty on the silver produced. This netted Silver Leaf about $5,300 last year. The company has no liabilities other than its $5,000,000 of stock and has about $24,000 invested in Victory bonds. Owing to its location the property has certain possibilities and there is always a chance that finds of value may be made. In such event the Crown Reserve Company would probably buy the mine. Apart from this possibility or the likelihood of movements in the stock, there would be little justification for buying shares. So far as we can gather there was no special significance in the recent movement in the stock.

HUDSON BAY MINES

W.D.M., Ottawa:—"I have some shares of Hudson Bay Mining Co. stock, but have received no dividends for four years. Can you kindly tell me reason for this? I used to get good dividends regularly. What are the future prospects for dividends and the success of the company generally?"

The reason why Hudson Bay Mines have discontinued the payment of dividends is that they have been engaged in financing certain new mining properties through which they hope to prolong the life of the company. Hudson Bay Mines property at Cobalt, which has been in the past an exceedingly rich mine, is now pretty well worked out, though finds are still being made intermittently. However, the company has been engaged in developing the Dome Lake mine at South Porcupine and this has steadily absorbed funds. The company also owns properties in Gowganda. The future of the company depends on the success met with in working these various properties and generally speaking there is reason for expecting that they will develop into profitable undertakings. The Dome Lake mine lies in close proximity to Dome Mines and should be worth while.

DOMINION SETTLEMENTS

Enquirer, London, England:—"Can you give me information regarding lands owned by the Dominion Settlements in Norfolk County, Ontario? What is the nature of the land? What is its actual value to-day? What is the likelihood of an advance in value in the near future?"

The lands in question were originally devoted to mixed farming. They were acquired by the Dominion Settlements about seven or eight years ago with a view to placing English settlers on them for fruit growing and truck gardening.

The soil consists of sandy loam and clay and with proper fertilizing is suitable for fruit growing and vegetable raising. It is well adapted for growing apples.

The land is worth to-day from $40 to $100 per acre depending on the extent of the improvements.

The likelihood of an advance in value is somewhat remote. There is no word of any returned soldier settlement there as yet, though this is a possibility. What is needed is better transportation facilities or the establishment of canning and preserving plants to take care of the crops.

MINING STOCKS

E.M., Chicago.—"I own outright stock in Dome Mines that averages me $12.50 a share, Hollinger that stands me $6.25; McIntyre, $1.72, and McKinley-Darragh, 48 cents. I want to make some money and am considering Dome Mines and Dome Extension. If there is any information you can give me regarding these two stocks, I would appreciate it very much."

We believe that, having due regard to the uncertainties of the situation, you are in on a favorable basis on Dome Mines, Hollinger, McIntyre and McKinley-Darragh, which are undoubtedly four of the best mining stocks in Northern Ontario. In the past, Dome Mines has sold as high as $30; Hollinger, $7.10; McIntyre, $2.03 and McKinley, $2.50. McKinley is unlikely to go anywhere near this figure again, but the other three should easily equal, if not exceed, their previous highs. We have great faith in the future of the Northern Ontario mining camps and, if nothing occurs to give the industry a setback, it should enjoy a notable expansion this year.

With regard to Dome Mines and Dome Extension there are good speculative possibilities here. The former property has been closed down for some time, owing to labor shortage and high operating costs. It is announced that it will resume operations in the near future. The mine has known ore reserves of $10,000,000, which have probably been increased since the last report was issued. It is well equipped with milling facilities and should produce freely when operations are resumed. The Dome Extension property has again been optioned by Dome Mines and its future is wrapped up with that of its big neighbor. In our opinion, it will undoubtedly be taken over by Dome Mines and consolidated with it.

SOVEREIGN LIFE

T.J.L., England:—"I would feel obliged if you would let me know what you think about the stock of the Sovereign Life Assurance Co."

The Sovereign Life Assurance Company of Canada has been doing very well considering the difficulties it has had to contend with during the past few years. It adopted the wise policy of suspending dividends to shareholders in 1916 and was thus able to meet the heavier losses of 1917 and 1918 with greater ease. The latest statement issued, that for 1918, shows that this company has shared in the increased business of the past year and that it has been able to meet exceptionally heavy death losses and other payments to policyholders without having to draw on its surplus to any serious extent. Income showed a healthy growth, interest is being earned at the high rate of 6.34 per cent., and assets are in excess of $1,500,000. The company has now been operating for fifteen years and may be regarded as well established. With the larger business in prospect for 1919, the cessation of war claims and the reduction in flu losses, there is every reason for believing that much lost ground will be recovered this year and that it will not be long before the company is again in a position to resume dividends.

KERR LAKE

F., Prescott:—"Would you kindly inform me of the standing and size of Kerr Lake Mines? What is their future?"

Kerr Lake Mines, Limited, which is the holding company of the Kerr Lake Mining Co., Limited, the operating company, has a capital of $3,000,000 divided into 600,000 shares of $5 each. The property owned consists of two claims adjoining the Kerr Lake and a few acres underlying Kerr Lake. The company has been very successful and is one of the most profitable in the Cobalt district.

At August 31, 1918, when the company's last fiscal year closed, Kerr Lake Mining Co. had a surplus of $2,733,361, as against $1,711,044 at the end of its 1917 year. The profit for the year was $1,6[illegible]2,316. Kerr Lake mines, the holding company, has paid a dividend of 5 per cent. quarterly since Dec. 15, 1911. Prior to that it paid 5 per cent. and a bonus.

The real test of a mine's position is, of course, the ore reserves. At August 31 last Kerr Lake had total estimated ore reserves of 1,637,300 ounces. At August 31, 1917, ore reserves amounted to 3,120,400 ounces and at August 31, 1916, 3,827,000 ounces. It is thus apparent that the supply of silver in the mine is steadily being exhausted, though there is always the chance that new veins may be encountered or that the company may secure new properties which will prolong its life.

Castle Oil and Gas

F., Prescott:—"Can you tell me anything about Castle Oil & Gas Co., Limited? What are they doing at present?"

Castle Oil and Gas Co. is at present operating in three fields,—Mosa and Shetland in Ontario and Pine Island in the United States. It has about 20 producing wells in the Mosa pool, which are yielding oil that is reported to be bringing in, with the Government bounty, $3.30½ a barrel. Drilling is going on at both Shetland and Pine Island but there is no production at either point as yet, though indications are said to be favorable. The Mosa wells are not large producers and it remains to be seen whether they will continue to be profitable ventures.

UNLISTED
BONDS AND STOCKS

If you have any to sell, we will be pleased to make you a bid, or should you wish to buy, an offering.

The latest reliable quotation on any unlisted security furnished free on request.

Grant Johnston & Co.
MEMBERS MONTREAL STOCK EXCHANGE.
86 NOTRE DAME STREET WEST,
MONTREAL

RSC
INVESTMENT-SERVICE

7% and Profit

We have bought an issue of Mortgage Debenture Stock, fully secured by the Assets and Earnings of a well-known Canadian pulp and paper enterprise.

You can buy it now to yield $70 yearly on every $1,000 invested. With it we can also offer you a Bonus of Common Shares.

May we tell you more about it?

Royal Securities
CORPORATION
LIMITED
164 ST. JAMES STREET
Main 7160 MONTREAL

As Others See Us

INSIDE INFORMATION

Grain Growers' Guide

Tariff-making at Ottawa in the past has been a secret proceeding. The manufacturers have consulted with the Government in advance and have arranged what the tariff will be, and the public has known nothing about it until the Finance Minister makes his budget speech. Apparently the same process is being continued. In the Montreal *Gazette* of January 30, appears the announcement: "There will be no general revision of the tariff at the next session of Parliament, for the sufficient reason that time does not permit." In the *Financial Post*, of Toronto, January 18, appears the following: "The Government is disposed to let the tariff alone during the coming session. This is the advice of the *Financial Post's* Ottawa representative upon a matter which is to-day very important in the commercial and industrial situation." These announcements by two of the journalistic apostles of high protection are significant. They indicate that the protected manufacturers are on the job and are getting the Government properly licked into shape to do their bidding. However, both these journals admit that the war tax of seven and a half per cent. and five per cent. may be withdrawn if, as the *Post* says: "The low tariff element, which is dominated by Western Canada sentiment, can make a strong enough case." This is the crux of the whole situation. The tariff will come down only and when the people in sufficient numbers rise up and demand it.

THE BUSINESS AND WAGE OUTLOOK

The Island Patriot, Charlottetown

The Financial Post publishes a letter on the business outlook in Canada, from a correspondent whom that paper describes as "one of our keenest financiers and most public-spirited business men, a man whose business vision is highly respected by industrial and financial leaders right across the continent, and also in Europe." The letter deals with two problems with which all Canadians are just now very much concerned—business prospects and employment possibilities.

The three points emphasized in this eminently rational statement—the complete disappearance of war business, the exceptional keenness of the competition now opening for international trade, and the lack of industrial organizations in Canada at the present time to meet it—are overlooked by the average man, who complaisantly looks forward to an unbroken future to big business, big wages, and easy money.

How good or bad the times are to be for the next year, and the years immediately following, must depend on the kind of efforts Canadians make now to secure proper industrial organization, as well as settled and reliable labor conditions.

The harvest of big profits at any old kind of products, and of big wages for little work, is over.

HOW TO CURE PROFITEERING

Kitchener *News-Record*

In these columns will be found an editorial on "Combinations and Prices" by the editor of *The Financial Post*. That weekly is regarded as being the organ of the big interests of the country. Therefore it is refreshing to have it admit that few large concerns have, during war-time at least, combined to extract the uttermost copper from the Canadian consumer.

Its mild attack on the allegedly guilty "five per cent." should not weaken the public's confidence in Protection. Conscienceless men in Free Trade Britain have formed combinations in the restraint of trade. It is not the tariff which it is at fault, but the laxity of the authorities in enforcing the law against illegal combinations.

Making a specialty of trade and financial matters, *The Financial Post* is in a position to know what industries are breaking the laws. What lines of trade are included in the 5 per cent.? In fairly and justly toward the public, ought it not to name them? Instead of doing this, it calls upon the 95 per cent. to use moral suasion upon the erring ones. As though firms which are illegally combining and controlling outputs and prices would respond to appeals to reason.

Providing its allegations are true there is a more practical way of eliminating the evil than saying to the offending firms: "Please be decent!" It is to ascertain who these are and then remove the tariff now protecting their producets.

This would restore competition, which is apparently lacking and could be continued until they were ready to cease circumventing the country's laws.

With unrest and dissatisfaction so widely prevalent, it behooves the 95 per cent. of reasonable manufacturing concerns to press for housecleaning, else all may suffer for the greed of the few.

Victory Bonds
(*all issues*)
1922-1923-1927-1933-1937

Bought-Sold-Quoted

GREENSHIELDS & CO.
Members Montreal Stock Exchange
Dealers in Canadian Bond Issues
17 St. John Street, Montreal
Central Chambers, Ottawa

LONDON JOINT CITY & MIDLAND BANK

LIMITED.

ESTABLISHED 1836.

Authorised Capital £41,450,000. 0. 0 **Subscribed Capital £34,428,948. 0. 0**
Paid-up Capital - 7,172,697. 10. 0 **Reserved Fund - 7,172,697. 10. 0**

DIRECTORS.

SIR EDWARD H. HOLDEN, Bart., Chairman and Managing Director.
WILLIAM GRAHAM BRADSHAW, Esq., London, ALEXANDER H. GOSCHEN, Esq., London, Deputy Chairmen.

The Right HON. LORD AIREDALE, Leeds.
SIR PERCY ELLY BATES, Bart., Liverpool.
ROBERT CLOVER BEAZLEY, Esq., Liverpool.
WILLIAM BENNETT, Esq., London.
WILLIAM T. BRAND, Esq., London.
WALTER S. M. BURNS, Esq., London.
The Rt. Hon. LORD CARNOCK, G.C.B., London
STANLEY CHRISTOPHERSON, Esq., London.
DAVID DAVIES, Esq., M.P., Llandinam.
The Right Hon. The EARL OF DENBIGH, C.V.O., London.
FRANK DUDLEY DOCKER, Esq., C.B., Birmingham.
FREDERICK HYNDE FOX, Esq., Liverpool.
H. SIMPSON GEE, Esq., Leicester.
JOHN GLASSBROOK, Esq., Swansea.
CHARLES GOW, Esq., London.
JOHN RICHARD HILL, Esq., York.
CHARLES E. JOHNSTON, Esq., London.
The Right Hon. REGINALD McKENNA, London.
The Right. Hon. LORD PIRRIE, K.P., London.
CHARLES THOMAS MILBURN, Esq., London
FREDERICK WILLIAM NASH, Esq., Birmingham.
EMMANUEL MICHEL RODOCANACHI, Esq., London.
SIR THOMAS ROYDEN, Bart., M.P., Liverpool.
SIR EDWARD D. STERN, D.L., London.
EDMUND R. TURTON, Esq., M.P., Thirsk.
LEWIS H. WALTERS, Esq., London.
The Right Hon. Sir GUY FLEETWOOD WILSON, K.C.B., K.C.M.G., G.C.I.E., London.
WILLIAM FITZTHOMAS WYLEY, Esq., Coventry.
SIR DAVID YULE, London.

HEAD OFFICE: 5, THREADNEEDLE STREET, LONDON, E.C. 2.

Joint General Managers: S. B. MURRAY, F. HYDE, J. F. DARLING, E. W. WOOLLEY, R. RICHARDS.

Dr. LIABILITIES AND ASSETS, 31st December, 1918. Cr.

Dr.	£	s.	d.
To Capital Paid Up, viz.:— £2 10s. 0d. per Share on 2,869,079 Shares of £12 each	7,172,697	10	0
" Reserve Fund	7,172,697	10	0
" Dividend payable on 1st February, 1919	451,879	18	10
" Balance of Profit and Loss Account, as below	675,097	14	7
	15,472,372	13	5
" Current, Deposit and other Accounts	334,898,435	12	6
" Acceptances on Account of Customers	13,145,849	2	11
	£363,516,657	8	10

Cr.	£	s.	d.
By Cash in hand (including Gold Coin £8,000,000) and Cash at Bank of England	63,756,371	2	5
" Cheques on other Bank in transitu	2,001,486	12	7
" Money at Call and at Short Notice	65,809,169	12	4
" Investments—			
War Loans, at cost (of which £432,979 15s. is lodged for Public and other Accounts) and other British Government Securities	57,463,594	19	3
Stocks Guaranteed by the British Government and Indian Railway Debentures	468,383	12	0
British Railway Debenture and Preference Stocks, British Corporation Stocks	1,112,725	19	8
Colonial and Foreign Government Stocks and Bonds	1,410,465	18	10
Sundry Investments	1,145,481	1	6
" Bills of Exchange	39,249,296	3	2
	232,416,975	1	9
" Advances on Current and other Accounts	99,213,614	15	6
" Advances on War Loans	14,218,201	2	1
" Liabilities of Customers for Acceptances	13,145,849	2	11
" Bank Premises, at Head Office and Branches	3,762,327	6	7
" Belfast Bank Shares:— 50,000 £12 10 0 Old Shares £2 10 0 paid 150,000 £12 10 0 New Shares £2 10 0 paid. Cost .... £1,237,500 0 0 Less Part Premium on Shares Issued 477,810 0 0	759,690	0	0
	£363,516,657	8	10

Dr. PROFIT AND LOSS ACCOUNT for the year ending 31st December, 1918. Cr.

Dr.	£	s.	d.
To Dividend at 18 per cent. per annum for the year ending 31st December, 1918, less Income Tax	919,885	10	5
" Reserve Fund for future Contingencies	600,000	0	0
" Salaries and Bonus to Staff serving with H.M. Forces and Bonus to other members of the Staff	489,132	14	7
" Bank Premises Redemption Fund	100,000	0	0
" Officers' Pension Fund	100,000	0	0
" Staff Widows' Fund	50,000	0	0
" Reserve Fund	500,000	0	0
" Balance carried forward to next account	675,097	14	7
	£3,434,115	19	7

Cr.	£	s.	d.
By Balance from last Account	733,785	5	8
" Net profits for the year ending 31st Decmber, 1918, after providing for all Bad and Doubtful Debts	2,700,330	13	11
	£3,434,115	19	7

EDWARD H. HOLDEN, Chairman and Managing Director.
W. G. BRADSHAW, A. H. GOSCHEN, } Deputy Chairmen.
R. McKENNA, W. S. M. BURNS, } Directors.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE LONDON JOINT CITY & MIDLAND BANK, LIMITED.

In accordance with the provisions of Sub-section 2 of Section 113 of the Companies (Consolidation) Act, 1908, we reports as follows:—

We have examined the above Balance Sheet in detail with the Books at Head Office and with the certified Returns from the Branches. We have satisfied ourselves as to the correctness of the Cash Balances, Cheques on other Banks in transitu, and the Bills of Exchange, and have verified the correctness of the Money at Call and Short Notice. We have also verified the Securities representing the Investments of the Bank, and having obtained all the information and explanations we have required, we are of opinion that such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

London, 14th January, 1919.
WHINNEY, SMITH & WHINNEY, Chartered Accountants, Auditors.

THIS BANK IS THE PROPRIETOR OF THE BELFAST BANKING COMPANY, LIMITED.

Select a Responsible Investment House

For the average investor, one of the most important considerations in selling or buying bonds is to be assured of the character of the firm with which he is doing business, its experience and the facilities which its various departments afford for selling, buying and investigating the worth of any security.

As an investment house with eighteen years' experience in buying and selling high-grade Canadian bonds we invite you to consult us in regard to your investment problems

Correspondence Invited.

DOMINION SECURITIES CORPORATION LIMITED

HEAD OFFICE: TORONTO 26 KING ST. E.
MONTREAL ESTABLISHED 1901 LONDON, ENG.

12

Ottawa Light, Heat and Power Company, Ltd.

The annual report of the Ottawa Light, Heat & Power Company, Limited, for **the year ending** December 31st, 1918, presented to the shareholders, shows **substantial increases** in both gross and net revenue.

The gross revenue from all sources was $1,114,915.33, being an increase of $157,614.94, equal to 16¼% over 1917, while the net revenue was $310,149.69, being an increase of $64,008.91, or almost 26% over 1917.

Four quarterly dividends at the rate of six per cent. per annum, amounting to $209,934.00, were paid.

After providing for bad and doubtful debts the sum of $21,189.90 was carried to the credit of Profit and Loss which now stands at $114,525.27.

The sum of $50,000.00 was carried to Reserve Account which now stands at $770,000.00.

A break in the retaining wall of one of the company's water plants caused an unforeseen expense of about $20,000.00.

The company's new gas plant is showing substantial results in increased business. During the year, 1,400 new gas customers were taken on, and over 1,500 gas stoves were sold.

The main features of the balance sheet for the past two years compare as follows:—

ASSETS	1918	1917
Property, plant and equipment	$5,944,071.15	$5,761,485.87
Merchandise and stores	173,605.98	148,187.35
Coal and other supplies	155,699.96	60,723.45
Accounts receivable	339,591.05	388,112.15
	$6,6[illegible]	$6,358,508.82
LIABILITIES		
Stock	$3,499,120.00	$3,483,520.00
Bonds	1,275,000.00	1,275,000.00
Accounts payable, Banks	764,258.43	578,531.89
Accounts payable, Trade and Labor	190,064.44	215,957.45
Reserve account	770,000.00	720,000.00
Profit and Loss	114,525.27	85,499.48
	$6,612,968.14	$6,358,508.82

At the Annual Meeting of the Shareholders of this Company, held on Feb. 24th, the following Directors were elected:—Mr. T. Ahearn, Hon. E. H. Bronson, Mr. Warren Y. Soper, Dr. Wm. Manuel, Mr. Thos. Workman, Mr. J. Lyle Reid, Mr. H. H. Horsey, Mr. A. A. Dion

At a subsequent meeting of the Directors, Mr. T. Ahearn was elected President and Hon. E. H. Bronson, Vice-President of the Company.

The Western Life Assurance Company

SUMMARY OF 1918 OPERATIONS

		Increase.
Assurances, New and Revived	$1,206,250.00	18%
Assurances in Force	2,767,702.00	32%
Gross Cash Income, Premiums and Interest	103,187.91	32%
Interest Received	11,808.23	21%
Policy Reserves	156,437.13	38%
Admitted Assets	246,517.78	27%

The average rate of interest earned on the mean net ledger assets was 6.054%.

BALANCE SHEET
For Year Ending 31st December, 1918.

Assets		Liabilities	
Real Estate	$ 5,859.25	Reserve on Policies in Force (Dominion Government Standard)	$156,437.13
Mortgages on Real Estate	15,921.07	Death Claims Reported, awaiting Proof	12,025.15
Bonds and Debentures (Market Value)	163,505.13	Unpaid Medical Fees and Current Acounts	574.70
Loans on Policies	15,219.69	Premiums Paid in Advance	1,313.30
Cash on Hand and in Bank	22,212.28	Items in Suspense	687.50
Interest Due and Accrued	3,598.83	Taxes Payable in 1919 on 1918 Income	500.00
Net Outstanding and Deferred Premiums	16,701.53	Investment Reserve	2,500.00
Premiums	16,701.53	Surplus to Policyholders	72,480.00
Office Furniture and Equipment	3,500.00	Paid-Up Capital..$115,977.00	
Total Admited Assets	$246,517.78		
Surplus on above	72,480.00		
Other Assets:—			
Bills Receivable	1,230.40		
Balance owing on Premium on Stock	13,231.15		
Balance owing on Calls on Stock	25,643.00		
Interest on Stock Notes	1,554.97		
Agents' Balances	7,472.79		
Total Surplus to Policyholders as shown by the Company	$121,612.31	Total	$246,517.78

DIRECTORS FOR 1919

Adam Reid, President and Managing Director, Winnipeg; Dr. R. F. Rorke, First Vice-President, Winnipeg; Dr. T. J. Reid, 2nd Vice-President, Minneapolis; John D. Hunt, Edmonton; A. E. May, Edmonton; Jasper Doolittle, Winnipeg.

FULL ANNUAL REPORT AND STATEMENT FURNISHED ON REQUEST.

WANT MORE TAXATION

British Columbia Municipalities Approach Provincial Government

A deputation headed by Mayor Porter of Victoria and consisting of representatives of Victoria, Vancouver, Oak Bay and Esquimalt, waited on Premier Oliver recently and asked for wider power of taxation for the municipalities. The Premier admitted that there was a problem to be solved but stated that the province could not release any of its own means of revenue. It was for the municipalities to show where additional revenue could be obtained. A good many suggestions were offered by the delegation.

NEWS OF THE BOND MARKET

MYSTERY STILL SURROUNDS THE MANITOBA SALE

The Provincial Treasurer Declines to Furnish Name of Purchaser

SALE IN JANUARY

Winnipeg Brokers Are Critical of Methods Adopted by Hon. Edward Brown in Placing the Issue

Who bought the million-dollar province of Manitoba bond issue, the sale of which was officially announced in a despatch from Winnipeg, dated February 22?

This is a question that is exercising the minds of bond dealers in both Winnipeg and the East. A representative of THE FINANCIAL POST sought information on the point from Hon. Edward Brown, Provincial Treasurer, but was met with the reply that the Treasury Department had not yet got everything in shape in connection with the issue and therefore could not furnish the information. Mr. Brown, however, denied that the issue had been sold to Wood, Gundy & Co., who are reported to have been offering the bonds in New York. Inquiry among financial institutions in Winnipeg also failed to elicit any information about the disposition of the issue, bond dealers stating that they were quite in the dark in the matter.

Sold in January

In Winnipeg bond circles it is stated that half the issue was placed early in January, it being rumored that the purchasers were an American trust company. An option was provided for on the balance and this was exercised a little later. That is to say the whole issue was sold over a month ago. Yet, unless the issue announced last Saturday is another issue altogether, announcement of the sale was made only last week and the Provincial Treasurer is still unable to disclose the names of the purchasers.

Winnipeg brokers are quite outspoken in their criticism of the policy adopted by Hon. Mr. Brown, believing that it reflects unfavorably on the financial standing of the province.

The Announcement

Following is the Winnipeg despatch, announcing the sale, which appeared in the Toronto Star last Saturday:

WINNIPEG, Man., Feb. 22—Hon. Edward Brown announces that the Province of Manitoba sold a million dollars worth of its securities in New York this week, and received a record price—the best that has been obtained by a Canadian province since the days before the war. The province gets $1,000,000 in cash in Winnipeg for $1,000,000 worth of 5½ per cent. ten year bonds.

One reason why the terms are so favorable to the Western Province is that there is a two per cent. exchange rate. At the present time $980,000 in New York is worth $1,000,000 in Winnipeg, and the difference of $20,000 accounted for the excellent price. he buying company is said to be a large life insurance corporation, and paid this amount presumably to the Bank of Montreal in New York, receiving provincial bonds in exchange, and the Bank of Montreal placed a sum of $1,000,000 to the credit of the province in Winnipeg.

Toronto Opinions

Bond dealers in Toronto are taking a good deal of interest in the Manitoba situation and are commenting quite freely on the way in which a veil of mystery has been thrown around the whole transaction. They feel quite generally that the people of Manitoba are entitled to receive much more complete information about what is going on in connection with the sale of their securities.

Hon. Edward Brown was subjected to criticism in the Manitoba Legislature on Monday evening by the member for Winnipeg Centre, F. J. Dixon. Among other matters, Mr. Dixon referred to bond flotations, advocating generally in regard to issues that they should be advertised, the bids opened in public, and the issues sold to the highest bidder. This, he asserted, would be of advantage to the Province as it would get more money. He claimed that other provinces had realized more on their issues.

In his reply, the Provincial Treasurer admitted that sometimes it was a help to the Government to call for tenders, but contended that it was a very crude way of financing; sometimes it would be the height of folly, and it only showed ignorance on the part of those who did it. He recalled that the Greater Winnipeg Water District had called for tenders and were humiliated at receiving no bids and having their securities depreciated to that extent.

Douglas MacLeod, who has returned from overseas, has joined the organization of Nesbitt, Thomson & Co., Limited, Montreal and Hamilton, and will represent them in Toronto, where the company intend opening an office in the near future. Before going overseas Mr. MacLeod was secretary to H. A. Richardson, general manager of the Bank of Nova Scotia.

HARBOR SALE EVOKES COMMENT

Dealers Admit That a Good Price Was Secured, But Question Method of Sale

Announcement was made on Saturday last by Finance Commissioner Bradshaw, of Toronto, that he had sold an additional $3,000,000 of the 35-year, 4½ per cent. guaranteed harbor bonds to Wood, Gundy & Co. at 84.71, the price obtained at the public sale of harbor bonds on December 13th last.

The announcement came as somewhat of a surprise to the bond dealing community in view of Mr. Bradshaw's recent utterances on the subject of sale by tender, and some criticism of his action was heard in various quarters. There was almost unanimous agreement, however, that he had made an exceptionally good sale, and, while regretting that they had not been afforded an opportunity to bid on the issue, dealers admitted that the transaction was favorable from the city's standpoint.

To THE FINANCIAL POST, Finance Commissioner Bradshaw conceded that his action might appear to be inconsistent with his published views on the superiority of the sale by tender method of disposing of bonds. However, he pointed out certain modifying circumstances which give a somewhat different aspect to the case. The $4,000,000 of harbor bonds, of which $1,000,000 were offered publicly last December, were virtually all placed at the time, since the successful tenderers, Dominion Securities Corporation and W. A. Read & Co., took an option on the remainder at the same price. The purchasers of the original million being unable to exercise the option in full, Mr. Bradshaw was faced with the necessity of deciding as to what action to take. His judgment was that to call tenders, in view of a possible weakening in the market, might result in a lower price being realized than last December, particularly because the high price at that time was two points above that of the second tender. He accordingly entered into private negotiations and was successful in placing the issue as mentioned.

"I am still as firm a believer in the tender system as ever," declared Mr. Bradshaw, "but I am not so hidebound to the system as not to realize that exceptional circumstances may arise when different action may not be more advantageous."

A public offering of the harbor bonds was made yesterday by Wood, Gundy & Co. They offer them at 86.68 and interest, yielding 5.35 per cent., and point to the long term of the issue as their most favorable feature.

B.C. GOVERNMENT BEHIND GILLESPIE

Complaints of South Vancouver Citizens Meet With Little Sympathy From Oliver

Commissioner F. J. Gillespie's tenure of office as administrator of the municipality of South Vancouver has not been altogether pleasant, judging by the continual complaints which have been made to the Government by discontented ratepayers of the district. Resolutions to the Government demanding his recall have been frequent, but as yet no action has been taken by the powers in Victoria. At the instance of the South Vancouver Ratepayers' Protective Association, a petition has just been forwarded to Premier Oliver in which it is demanded that the Commissioner's office be abolished and the old form of elective government restored. The document which was promptly acted upon by the House this week was signed by 1,500 persons, but the rule of the commissioner was upheld, Premier Oliver taking the view that while he had received many complaints, there was nothing of a personal nature in them, the general objection being that the Commissioner should not have imposed the 25 per cent. tax on improvements. He added that Mr. Gillespie, by law, was empowered to levy 50 per cent.

While the petition as signed carried only 1,500 names, the Premier intimated that there were 12,000 voters in the municipality representing 40,000 people. It was asked that a commission be appointed to enquire into the affairs of the Commissioner, but, taking the stand that there was no reasonable degree of evidence before the Government warranting such an investigation, the Cabinet refused to take any action, and there the matter rests.

BOND MARKET NOW IN RATHER QUIET STATE

The United States Situation Having Some Effect on Canadian Market

FEW ISSUES PLACED

The Toronto Separate School Succeeds in Making a Very Favorable Sale of $300,000 Issue

Bond market conditions continue on the quiet side, with the supply of bonds still restricted and with little apparent indication of an early increase. Dealers report plenty of inquiry for bonds, though the buying public are after bargains and are inclined to regard present prices as rather stiff. Still, the turnover is pretty rapid and dealers' lists are soon worked off, even at the higher prices now prevailing.

The United States' situation is having some effect in the way of creating a feeling of uncertainty for the immediate future, and this may have a tendency to lower the bidding on forthcoming issues. However, looking beyond the present period, which will doubtless be terminated with the flotation of the Liberty Loan, there is reason to expect a brisker and stronger market. In the meanwhile, a good deal of money will be released for investment in the domestic market during March and April, and this should tide things over until the United States' buying again becomes a factor. Altogether, there is little reason to expect any set-back.

Petrolia and the Soo

The sale on Monday by the Town of Petrolia of $10,000 7 per cent., 10-instalment debentures resulted in an award of the bonds to Wood, Gundy & Co. at 105.11. There were ten offers submitted from Toronto bond houses, these ranging as follows:

Wood, Gundy & Co.	105.11
Brent, Noxon & Co.	105.11
C. H. Burgess & Co.	104.71
Turner, Spragge & Co.	104.53
G. A. Stimson & Co.	104.51
Sterling Bank	104.18
Aemilius Jarvis & Co.	104.17
W. A. Dyment & Co.	103.91
A. E. Ames & Co.	103.44
W. L. McKinnon & Co.	103.00

A sale was made this week by the City of Sault Ste. Marie of three blocks of bonds aggregating $51,997.72 in 5½ and 6 per cent., 20, 29½ and 30-year maturities. The issue was awarded to C. H. Burgess & Co., whose offer of $52,892.08 was the highest received. The list of bids was as follows:

C. H. Burgess & Co.	$52,892.08
Brent, Noxon & Co.	52,611.29
Wood, Gundy & Co.	52,357.00
Dom. Securities Corp.	52,145.39
National City Co.	52,016.29
G. A. Stimson & Co.	52,001.29
Aemilius Jarvis & Co.	51,909.32
Mulholland, Bird & Graham	51,748.13
Canada Bond Corporation	51,515.00
R. C. Matthews & Co.	51,391.00
Imperial Bank	51,026.00
Spitzer, Rorick & Co.	50,892.62
Royal Securities Corp.	49,723.85

Toronto Separate Schools

The new Toronto bond house of W. A. Dyment & Co. captured the Toronto Separate School issue of $300,000 20-year 5½ per cent. bonds, tenders for which were opened by the Board on Thursday afternoon. Thirteen bids were received, the block being awarded at 100.276, or on about a 5.27 per cent. basis. Following were the tenders:

W. A. Dyment & Co.	$300,828
Canada Bond Corporation	300,480
A. E. Ames & Co.	298,020
R. C. Matthews & Co.	297,690
Brent, Noxon & Co.	297,229
G. A. Stimson & Co.	297,036
H. A. Coulson	296,430
Housser, Wood & Co.	295,320
McDonogh, Somers & Co.	294,960
C. H. Burgess & Co.	294,330
Wood, Gundy & Co.	293,280
Aemilius Jarvis & Co.	292,710
T. G. S. Pepler & Co.	292,650

Alberta School Sale

The result of the sale of Alberta school district issues on February 21 has been announced by the Education Department. Block No. 1, consisting of four district issues, amounting to $4,500 at 7 per cent., ten years, went to the Crown Life at 100.11. Block No. 2, consisting of Blue Hawk S. D., $1,500, 7 per cent., 15 years, was awarded to the same company at 100.963. Block No. 3, consisting of two issues, totalling $4,000, also 7 per cent., 15 years, was bought by Wood, Gundy & Co. at 101.412. Block No. 4, Coutts S.D., $3,000, 7 per cent., 10 years, went to the same house at 100.757 as did also Block 5, $3,000, 7 per cent., 10 years. Block No. 6, West Side, $800, 7 per cent., 8 years, was awarded to Wood, Gundy & Co. at 100.47, and Block No. 7, Shoal Creek, $500, 7 per cent., 10 years, to C. H. Burgess & Co. at 100.10.

R.C. Matthews & Co.

Government and Municipal Bonds

C.P.R. BUILDING
TORONTO

McDonagh, Somers & Co.

Government and Municipal Bonds

Dominion Bank Bldg.
TORONTO
Canada

Housser, Wood & Co.

Canadian Municipal Bonds

Union Bank Bldg. Toronto

VICTORY BONDS

even at advanced prices are still exceedingly attractive. We would appreciate being favored with your orders.

R. A. DALY & CO.
Bank of Nova Scotia Bldg.
TORONTO

W. L. McKinnon Dean H. Pettes

We will buy

VICTORY BONDS

at market prices.

Quotations gladly given on request.

W. L. McKinnon & Co.
McKinnon Building
TORONTO

W. F. Morgan-Dean eo. R. Harris

WE OFFER

Whalen Pulp & Paper First Mortgage Bonds, due 1st May, 1920, to yield 6¾%.

Morgan-Dean, Harris & Co.
Investment Bankers
Bank of Hamilton Bldg., Hamilton, Ont.

New Issue
6½ %
Montreal Tramways and Power Company, Limited
Secured Gold Bonds
Due March 1, 1924
Price: Par and Interest
Full particulars on demand
RENE-T. LECLERC
Investment Banker
160 St. James Street Montreal
ESTABLISHED 1901

Long Term Securities of
Canadian Government Railways
To Yield
5½ %
Write Now for Particulars
C. H. Burgess & Co.
Bank of Hamilton
TORONTO

ERICKSON PERKINS & CO.
Members New York Stock Exchange
STOCKS AND BONDS
Private Wires
6 KING STREET WEST
TORONTO

Profits
are regulated by the extent of efficiency in your business.
A small investment with us ensures big returns.
Carl B. Prosser & Co.
Efficiency Engineers
1011-12 C.P.R. Building, Toronto
Telephone Adel. 5668

OUR ADVICE
Do not do anything in the line of Buying, Selling or Leasing Real Estate without consulting our Real Estate Department. It will save you money.
Chartered Trust and Executor Company
46 King Street West, - Toronto
Frank McLaughlin, Superintendent

5% AND ABSOLUTE SECURITY
Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.
The Empire Loan Company
Winnipeg, Man.

FIELD OF MUNICIPAL FINANCE

BIG INVESTORS DISCUSS BOND SALE METHODS

Large Institutional Investors Champion Sale by Tender System

MUCH SUPERIOR

Unite in the Belief That Municipalities Get the Best Results When This Method is Followed

Do investors, when considering the purchase of bonds, pay any attention to the methods adopted by municipalities in floating their issues? In other words, would they be inclined to think more highly of the security of a municipality, which is accustomed to sell its bonds publicly by tenders than they would of the security of a municipality which sells its bonds privately?

Most bond buyers would probably say that it makes very little difference. As a matter of fact they approach the proposition from quite a different angle. To them the condition of a municipality's finances, its assets, its prospects and the relation to these of the price of the bonds would be of far more importance than to know how the bond dealer offering the bonds came into possession of them.

Methods Do Count

At the same time, there can be no denying that business-like administration of a municipality's affairs does count with bond buyers in their estimate of the value of securities. A city or town may be well administered and yet continue to place its bond issues privately, but these are the exceptions, and it may be laid down as almost axiomatic that the best methods of administration include the selling of bonds by public tender.

Recently a number of large institutional investors have been approached by THE FINANCIAL POST for their views on this question. While stating that they are uninfluenced in their buying by consideration of a municipality's methods of sale, they do claim that municipalities are adopting the more advantageous course in selling their bonds publicly. From their attitude on this point, it may naturally be inferred that these bond buyers consider municipalities, which place their bonds openly, as being guided by business-like principles and that therefore, unconsciously it may be, the standing of these municipalities is improved thereby.

Sun Life's Treasurer

This is the way E. A. Macnutt, treasurer of the Sun Life Assurance Company of Canada, sizes up the situation:—

"We do not attach any particular importance to this consideration (whether or not the municipality issuing bonds has made an open sale to the highest bidder) when making a purchase, but are guided solely by the financial standing of the municipality in question and the safety yield and marketability of its bond. We may say, however, that **we entirely concur in the view that the proper course for a municipality to follow is to have open sales by tender.**"

Treasurer, Canada Life

The treasurer of another big life insurance company, E. M. Saunders, of the Canada Life, views the question in much the same way:

"Replying directly to your question as to whether the price we are willing to pay for a debenture depends upon whether the municipality is offering it by open tender or private sale, we might say that this does not affect us in any way in determining the value of the security. In buying debentures all purchasers have their own ideas with regard to the value of these securities, and these opinions are usually based not only on the ruling price at the time but the prospects of what the market will be in the future.

"I might say, however, that I am quite in accord with Mr. Thomas Bradshaw's views as expressed in the article in your issue of the first of February last, with regard to the best procedure for marketing municipal debentures, that is by open tender. As a result of using this method we think **the competition brings the best market price, and as is truly said, relieves the officials of the municipality of any criticism that might be made if they effected a sale by private tender.**"

Some Wise Advice

An interesting and helpful contribution to the discussion is made by M. Aylesworth, assistant general manager of the Huron & Erie Mortgage Corporation, who offers some good advice to municipal officers:

"**We quite agree that municipalities and governments having bonds for sale would benefit ninety times out of one hundred in calling for tenders in the open market,** as it gives every possible buyer an equal chance and increases the competition.

"Looking at the matter from a purchaser's standpoint, however, we are not interested in whether the bonds were sold by private sale or by tender. To be an intelligent buyer one must, of course, keep closely in touch with the market and know about what a bond is worth.

"There are two points which we think you should emphasize in your articles on municipal bond selling, and they are these: First—that it is most advisable to have the bids opened in the presence of all parties tendering, or their representatives, and second—that when a municipality offers bonds for sale and tenders are made in good faith the bonds should not be withdrawn from sale unless there is some very grave reason to make this action necessary.

"As you are aware, there are some municipalities who do not realize how much time and effort are expended in arriving at the price which brokers and investing institutions are willing to pay for bonds, and if they are not prepared to sell along the prevailing market price, tenders should not be asked for."

An Opinion From London

Then there is the view of J. G. Richter, general manager of the London Life Insurance Company, who, while admitting that there are times when sale by tender may not be desirable, believes that, generally speaking, that method is preferable.

"Much will depend on the size of the issue and the class of debenture being sold. From the standpoint of the municipality, whatever plan will yield the best results would ordinarily be the better course to pursue, provided of course everything is honest and aboveboard.

"There have been occasions when it was difficult to get satisfactory offers for debentures and municipalities have been forced to adopt other plans than to sell by tender. **Generally, however, sale by tender would seem to be the preferable course, in that it is done publicly and everyone wishing to put in an offer may do so.**

"Regarding our own practice, we have not as a rule put in offers for debentures being sold by tender, mainly for the reason that we have not been buying large blocks of any one class of debentures and have instead bought from brokers. If, however, we decided to buy whole issues, we would certainly prefer that debentures be offered by tender, so as to give all a fair chance to buy."

OTTAWA'S BILL

City Asks Legislative Authority to Issue Over $700,000 Debentures

Ottawa's bill before the present session of the Ontario legislature provides for the passing of by-laws by the city council, without obtaining the assent of the ratepayers, for the following purposes:

Purchase of septic tank site	$ 9,500
Pretoria Avenue Bridge, extra	10,000
Mortgage on Lansdowne Park	70,000
Soldiers' Home, extra	5,000
Bank St. subway repaving	35,000
Rideau St. bridge, extra	50,000
Carnegie Library, improvements	5,000
Discount on debentures	4,000
Waterworks extensions, 1918	13,000
Overland water system, extras	45,000
Pooley's bridge repavement	6,500
Weigh houses and machines	20,000
Detention home extras	5,000
St. Patrick St. bridge, extras	75,000
Bathing house extras	50,000
Royal Ottawa Sanatorium	100,000
Water Meters	40,000
By Ward Market improvements	150,000

These aggregate $693,000. In addition the city asks validation of grants of $5,000 to the Knights of Columbus, $10,000 to the Salvation Army and $3,000 to the Zionist Federation of Canada, for which debentures will be issued.

The city of Galt has $729,000 invested in its hydro-electric and waterworks departments. Of this total $309,000 is invested in the hydro department, including $50,000 as the cost of 400 ornamental standards. There was a surplus on last year's operation of the hydro department of $12,822.

DEBENTURE NOTES

Ottawa.—The city council on February 24 decided to ask the provincial legislature for authority to raise $1,500,000 for the purpose of establishing a civic hospital.

Victoria.—City council on February 17 approved of the recommendation of the civic finance committee that the city comptroller be authorized to arrange for the issue of $39,775.86 local improvement bonds, ten-year at six per cent., at par.

York Township.—A vote will probably be taken this month on the proposal to spend $200,000 in buying out existing electric lines and establishing connection with the hydro system.

Welland.—At a meeting of the city council last week arrangements were made for the sale of an issue of $50,000 to the public. An offer from a Toronto bond house was considered but council decided to give the citizens a first opportunity to buy.

Elmira.—At a recent meeting of Elmira Council a by-law was passed to raise by way of loan the sum of $2,400 for the purpose of installing a new sectional boiler, fittings and repairs in the public school buildings and to authorize the issue of the necessary debentures for said purposes. The debentures were issued and dated February 15th, 1919, and the offer of Emanuel Hemmerich for the debentures at par was accepted.

ney By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

March 3, British Columbia—$30,000,000 in 5½ per cent., 20-year gold bonds, to be dated March 5, 1919.—John Hart, Minister of Finance, Victoria, B.C.

March 10, Alberta Schools.—$33,700 in nine blocks of 7 per cent. school district issues of varying maturities from 8 to 15 years.—J. T. Ross, Deputy Minister, Department of Education, Edmonton.

BY-LAWS PASSED OR DEFEATED

Mimico.—$55,000 to provide for an addition to the public school, passed by council, Feb. 24.

Rochester Township.—$4,000 for completing erections and equipment of new school. Passed by council Feb. 1; registered Feb. 11.

Markham.—$5,000 to provide hydro-electric power service, passed by ratepayers Feb. 24.

SASKATCHEWAN

The following is a list of authorizations granted by the local Government Board from Feb. 8th to 15th:—

School Districts. — Ashmore, $1,200; Spondon, $2,900; (x)Newpark, $1,200; (x) Orange Valley, $2,500.

Rural Telephone Companies. — North Benson, $900; Ferland, $4,750. (x) To be sold in the next Local Government Board sale.

The following issues have been sold between Feb. 8th and 15th:—

Rural Telephone Companies. — Twin Valley, $600, to Goldman & Co.; Round Plain, $4,700, Aneroid North, $800, to W. L. McKinnon & Co.; Bruce, $3,700, to M. L. Brown, Expanse; Vanguard East, $1,500, to W. L. McKinnon & Co.; Plenty, $7,900, to Harris Read & Co.; Glenrose, $4,800, to Wood, Gundy & Co.

School Districts. — Ruscola, $2,500, Kemmel Hill, $3,500, Wysla, $2,000, to J. H. Kern, Moose Jaw; South Ridge, $2,500 to C. H. Burgess & Co.

Towns. — Rosthern, $4,000, to Wood, Gundy & Co.

BRITISH COLUMBIA

The following certificate has been issued by the Municipal Department of the Province of British Columbia under date of February 15th, 1919:—

The Corporation of the City of Victoria, By-law No. 2024, "Local Improvement Assessment Consolidation By-law No. 18, 1918," payable $4,000 in each of the years 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, and $3,775.86 in 1928, interest at 6%, payable half yearly.

BOND SALES

$400 Asbestos at 87 to 85; $1,500 Can. Bread at 94; $2,100 Can. Cement at 100 to 99½; $1,000 Can. Felt at 71⅛; $1,000 Can. Cons. Rubber at 95; $2,000 Can. Locomotive at 93½ to 92; $48.000 Cedar Rapids at 89¾ to 89; $1,000 Dom. Iron at 87¾; $3,000 Dom. Textile "D" at 98; $500 Montreal Trams. at 86; $22,900 Montreal Trams. debs. at 75¼ to 75; $5,000 Quebec Rly. at 59; $10,200 Riordon at 94; $5,000 Steel of Canada at 96¼ to 95¼; $16,000 Wayagamack at 87 to 86½; $16.800 War Loan (1925) at 98 to 97; $16,800 War Loan (1931) at 96⅞ to 96⅛; $43,000 War Loan (1937) at 98⅛ to 97; $186,650 Victory Loan (1922) at 100½ to 99⅞; $197,600 Victory Loan (1923) at 101¼ to 99⅞; $51,700 Victory Loan (1927) at 101¾ to 100½; $643,200 Victory Loan (1933) at 102⅜ to 102; $92,300 Victory Loan (1937) at 103⅜ to 102; $12.500 Montreal (1922) at 101 to 100½; $42,200 Montreal (1923) at 101 to 100½.

DIVIDEND NOTICES

The Canadian Bank of Commerce

DIVIDEND No. 128

NOTICE is hereby given that a dividend of Three per cent. upon the capital stock of this Bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 28th February next, and that the same will be payable at the Bank and its Branches on and after Saturday, 1st March, 1919, to shareholders of record at the close of business on the 13th day of February, 1919.

By order of the Board,
JOHN AIRD,
General Manager.
Toronto, 17th January, 1919.

The Sherwin-Williams Company of Canada, Limited

DIVIDEND NOTICE

NOTICE is hereby given that the thirty-first quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum, for quarter ending March 15th, 1919, on the Preferred stock of the Company, has been declared, payable to shareholders of record the fifteenth day of March, 1919, and that Cheques will be mailed on March 31st, 1919.

Books not closed.
By order of the Board.
J. H. GORDON,
Secretary-Treasurer.
Montreal, February 25th, 1919.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date.	Place and Purpose.	Purchaser.	Rate	Term	Amount	Price	Basis
Feb. 15	Saskatchewan Telephones	Various (see list above)	...	.....	$ 24,000	.....	....
Feb. 15	Saskatchewan Schools	Various (see list above)	...	.....	10,500	.....	....
Feb. 15	Rosthern, Sask.	Wood, Gundy & Co.	...	.....	4,000	.....	....
Feb. 15	Elmira, Ont.	Local sale	...	.....	2,400	100.00	....
Feb. 20	Mount Royal, P.Q.	Credit Canada, Ltd.	5%	194	200,000	.....	....
Feb. 22	Manitoba, Province	Unknown	5½%	10-	1,000,000	100.00	5.50%
Feb. 22	Toronto, Harbor	Wood, Gundy & Co.	4½%	35-yr.	3,000,000	84.71	5.45%
Feb. 24	Petrolia, Ont.	Wood, Gundy & Co.	7 %	10-ins.	10,000	105.11	....
Feb. 25	Sault Ste. Marie, Ont.	C. H. Burgess & Co.	5½+6	var.	51,997	101.72	....

INDUSTRIAL ADVISORS
A specialist in your particular industry can find and strengthen the weak spots in your business structure.
A consultation now will save much expense later and loss in the meantime.
WE ARE AT YOUR SERVICE
THORNE, MULHOLLAND, HOWSON & McPHERSON
BANK OF HAMILTON BLDG. *Industrial Advisors* TORONTO, CANADA

GEO. O. MERSON & COMPANY
CHARTERED ACCOUNTANTS
ACCOUNTING AND AUDITING FOR MUNICIPAL CORPORATIONS
LUMSDEN BUILDING
TORONTO

If a Testator
although seeing the benefits to be derived from a Trust Company's administration, hesitates about cancelling any appointment he may have already made, the Montreal Trust Company can be named to act with the Executor or Executors already appointed. In this way the Trust Company co-operates with the Testator's appointees in the administration of the Estate.
This plan is very acceptable when the Testator's wife is named as Executor. Few women have the necessary business training to enable them to carry on the administration of an Estate, but with the co-operation of the Montreal Trust Company the Testator's wife can be appointed with full assurance that the Estate will be well looked after.
Montreal Trust Company
Sir Herbert S. Holt, President ∴ A. J. Brown, K.C., Vice-Pres.
TORONTO OFFICE: Royal Bank Building.
J. F. HOBKIRK, Manager.

DIVIDENDS DECLARED

The Canada Landed and National Investment Company, Limited

DIVIDEND NO. 128

NOTICE is hereby given that a DIVIDEND OF TWO AND ONE-QUARTER PER CENT. (being at the rate of nine per cent. per annum) on the amount paid up on the Capital Stock of this Company, has been declared for the quarter-year to the thirty-first day of March, 1919, and that the same will be payable at the office of the Company, 23 Toronto St., Toronto, on and after the first day of April, 1919, to Shareholders of record at the close of business on the fifteenth day of March, 1919.

By Order of the Board,
EDWARD SAUNDERS,
Managing Director.
Toronto, 26th February, 1919.

CANADA PERMANENT MORTGAGE CORPORATION

QUARTERLY DIVIDEND

NOTICE is hereby given that a Dividend of TWO and ONE-HALF PER CENT. for the current quarter, being at the rate of

TEN PER CENT. PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

TUESDAY, THE FIRST DAY OF APRIL

next, to Shareholders of record at the close of business on the Fifteenth day of March.

By order of the Board,
GEO. H. SMITH,
Assistant General Manager.
Toronto, February 26th, 1919.

Marcus Loew's Theatres Limited

NOTICE is hereby given that the Directors have declared a Special Dividend of ten per cent. on the Company's Common Stock payable on the 1st day of April, 1919, to shareholders of record on the books of the Company on the 20th day of March, 1919.

By Order,
SAMUEL D. FOWLER,
Secretary.
Toronto, 24th February, 1919.

Dominion Glass Company Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of Dominion Glass Company, Limited, for the quarter ending the 31st day of March, 1919, payable Tuesday, the 1st day of April, 1919, to Shareholders of record at the close of business Saturday, the 15th day of March, 1919.

By Order of the Board.
MERVYN OFFER,
Secretary.
Montreal, 20th February, 1919.

Woods Manufacturing Co., Limited

Dividend Notice.

THE Regular Quarterly Dividend of One and three-quarters per cent. (1¾%) on the COMMON STOCK of WOODS MANUFACTURING CO., LIMITED, for the Quarter ending February 28th, has been declared, payable March 1st, 1919, to shareholders of record February 22nd, 1919.

By Order of the Board.
JOHN T. F. KEENE,
Secretary-Treasurer.
Montreal, Feb. 14th, 1919.

Dominion Textile Company Limited

NOTICE OF DIVIVDEND

A DIVIDEND of two per cent. (2%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st MARCH, 1919, payable APRIL 1st to shareholders of record MARCH 15th, 1919.

By Order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, 19th Feb., 1919.

Western Canada Flour Mills Co., Limited

NOTICE is hereby given that the Board of Directors of Western Canada Flour Mills Company, Limited, have declared a Dividend of two (2) per cent. for the three months ending 28th February, 1919, payable 15th March, 1919.

The Transfer Books of the Company will be closed from 5th to 15th March, 1919 (both days inclusive).

G. K. STRATFORD,
Secretary-Treasurer.

Dominion Glass Company Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one per cent. (1%) has been declared on the COMMON STOCK of Dominion Glass Company, Limited, for the quarter ending the 31st day of March, 1919, payable Tuesday, the 1st day of April, 1919, to Shareholders of record at the close of business Saturday, the 15th day of March, 1919.

By Order of the Board.
MERVYN OFFER,
Secretary.
Montreal, 20th February, 1919.

Tooke Bros., Limited

PREFERRED STOCK DIVIDEND
No. 27.

NOTICE is hereby given that a dividend of 1¾% on the Preferred Stock of this Company has been declared for the Quarter ending 28th of February, 1919, payable on the 15th of March to Shareholders of record on the 28th of February.

By order of the Board.
W. S. BARKER,
Secretary-Treasurer.
Montreal, February 19th, 1919.

The Bank of Nova Scotia

Dividend No. 197

NOTICE is hereby given that a Dividend of four per cent. on the Paid-up Capital Stock of this Bank has been declared for the quarter ending March 31st and that the same will be payable on and after Tuesday, the 1st day of April next, at any of the offices of the Bank.

The Stock Transfer Books will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board.
H. A. RICHARDSON,
General Manager
Halifax, N.S., February 18th, 1919.

The Keystone of the Arch

Nothing known in building is stronger than the arch—the symbol of the mutual principle in life insurance. The centre of the arch is the keystone—and "The Keystone of a Life Insurance Organization," says W. O. Chapman, "is Management." The three leading constituents in good management are INTEGRITY, ECONOMY and EFFICIENCY. It is well known that the secret of the extraordinary success of the Mutual Life of Canada has been the rigid adherence of managers and directors through fifty years of history to these essential things. It is due to these that in spite of more than four years of devastating war, followed by a blighting pestilence, with the immense losses entailed, yet the strength of the Mutual Life of Canada is unshaken. The keystone ensures the solidity of the organization, and there is no other better qualified to defy the tooth of time than—

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO : : ONTARIO

SOLID GROWTH

Up-to-date business methods, backed by an unbroken record of fair-dealing with its policyholders, have achieved for the Sun Life of Canada a phenomenal growth.

Assurances in Force have more than doubled in the past seven years, and have more than trebled in the past eleven years.

To-day they exceed by far those of any Canadian life assurance company.

SUN LIFE ASSURANCE
COMPANY OF CANADA
HEAD OFFICE—MONTREAL

THE
STERLING TRUSTS CORPORATION

PROPERTY MANAGEMENT

You should no doubt like to be relieved of all worry and bother in the management of your property and other investments.
Write to-day for booklet "Your Property Income." It is a readable and interesting description of our system of property management.

HEAD OFFICE—TORONTO

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.

TOTAL ASSETS $2,387,634.14

A Canadian Company Investing its Funds in Canada

APPLICATION FOR AGENCIES INVITED

The Independent Order of Foresters

Furnishes a Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.
Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.
Policies issued from $500 to $5,000. For further information and literature, apply to

Benefits Paid 63 Million Dollars

FRED J. DARCH, Secretary
W. H. HUNTER, President
S. H. PIPE, F.A.S., A.I.A., Actuary
HEAD OFFICE - - - TORONTO

5½ INTEREST RETURN

INVEST YOUR SAVINGS
In a 5½% DEBENTURE of The Great West Permanent Loan Co

SECURITY

Paid-up Capital $2,412,566.31
Reserves 756,580.13
Assets 7,168,537.29

HEAD OFFICE, WINNIPEG
BRANCHES: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

These Questions Affect *YOU* Can You Answer Them?

1. Will the ending of the war help or hurt the price of such stocks as Baldwin, Bethlehem Steel, Midvale, etc.?
2. Are the coppers "peace" stocks or "war" stocks? What class do the automobile stocks come in? The oils?
3. Among the rails, are the standard dividend-payers or the low priced non-dividend payers the thing to buy?
4. As the war draws to its end, what is likely to be the course of interest rates? How will that affect the price of bonds?
5. Which are the best bonds to hold—the high-income producers or the old line investment issues?
6. Are short term notes or long term bonds the better proposition at present?
7. Does the putting into effect of the new tax law mean a general reduction in industrial dividends?
8. Can the stock market rise in the face of the tight money situation?
9. New influences on security prices are beginning to become operative. Do you know how to go about adjusting your investments so that you will be helped and not hurt?

Questions such as the above are intelligently discussed and definitely answered in every issue of *The Investment Weekly*. Can you afford to be without it?

Send for circular No. 6 and free sample copy or, better yet, send one dollar for ten weeks' trial subscription.

THE INVESTMENT WEEKLY
42 BROADWAY NEW YORK

INVESTORS' INSURANCE NOTES

FIRE COMPANIES SHOW DECLINES IN 1918 BUSINESS

Queen City Fire and Associated Companies Had Less Profitable Year

CASH INCOMES LESS

Fire Losses Were Heavier, and as a Result Some Adverse Balances Were Recorded

While 1918 did not prove quite as profitable a year for the Queen City Fire Insurance Company as did 1917, yet the company was able to make good progress in the way of building up its assets and enlarging its surplus. The gross income from premiums amounted to $180,106, which represented a drop of about $12,000. On the other hand interest from investments increased from $18,060 to $20,310. Total cash receipts were $231,483, comparing with $240,583.

Claims paid during the year called for the payment of $75,461, as against $71,126 in 1917. Expenses of management were $64,973, a saving of nearly $3,000. Total expenditures amounted to $210,257, or $5,000 more than in 1917. The decreased income and increased expenditures resulted in a smaller balance, viz., $21,226, which compares with $35,301.

Assets were enlarged during the year from $484,093 to $511.702. The company now holds $208.625 in war loan bonds and $122,475 in stocks, bonds and debentures, as against $101,775 and $110.281 respectively at the end of 1917. First mortgages on real estate have been reduced from $40.925 to $34,425. On the side of liabilities, the re-insurance reserve is up from $140,534 to $149,122 and the surplus over and above all liabilities and paid-up capital from $239,484 to $259,021.

Fire Insurance Exchange

The Fire Insurance Exchange Corporation reports a less favorable year in 1918 than in 1917. Cash receipts, which amounted to $140.235 in 1917, were $127,455 in 1919. On the other hand cash expenditures were up from $135,684 to $139,663. Instead of a balance to the good of $4,551, there was an adverse balance of $12,207.

Assets show a contraction for the year from $168,975 to $158.376. Liabilities are up from $73,118 to $77,030. The paid-up capital remains unchanged at $43.650, so that the surplus has been reduced.

Hand-in-Hand Insurance Company

A somewhat similar result has been experienced by the Hand-in-Hand Insurance Company. Its cash receipts amounted to $199,812, compared with $200,942 in 1917. Its expenditures totalled $202,335, as against $186,004 the previous year. This left an advance balance of $2,523, whereas in 1917 there was a favorable balance of $14,937.

Assets increased from $227,635 to $229,582, but liabilities also increased from $97,742 to $104,529, so that the surplus was reduced. The company has $137,982 invested in bonds and debentures and $41,700 in first mortgages on real estate. Its reinsurance reserve totals $99,186.

Millers and Manufacturers

The cash receipts of the Millers and Manufacturers' Insuranee Company for 1918 amounted to $171,308, as compared with $192,365 in 1917. Premiums under the cash system declined from $126,698 to $110,167, while fixed payments fell from $23,338 to $21,474. Expenses on the other hand showed an increase from $183,184 to $197,167, losses being up from $77,893 to $97,580. This left an adverse balance of $20,858, comparing with a favorable balance of $9,180 a year ago.

The company's assets including $100 000 of uncalled capital amounted to $271,123, a decrease of about $23,000. Liabilities totalled $82,456 which compares with $83,191 in 1917. The paid up capital stood unchanged at $25,000.

WESTERN LIFE

Company Operated Last Year for First Time Under Dominion License

In connection with review of the report of the Western Life Assurance Company, which appeared in the February 15 issue of THE FINANCIAL POST, it should have been noted that last year the company was operating for the first time under a Dominion license. The Western Life was established in Winnipeg in 1911, and until January, 1918, did business under a Manitoba license. Sufficient progress was made by that time to warrant branching out on a broader scale and accordingly the Dominion license was secured. The Western has now business in force amounting to $2,767,702; its assets total $246,517; its income approximates $100,000, and there is a surplus of assets over liabilities, excluding paid-up capital, of $73,132. Altogether, for so young a company and in such trying times, the Western Life is in a very good position.

BRITISH N.W. FIRE INCREASES BALANCE

Company Was Able to Make Substantial Addition in Spite of Heavier Losses

While the British Northwestern Fire Insurance Company was called upon to meet much heavier losses last year than in 1917, it was able through enlarged income to show a profit on underwriting account, which increased the balance to the credit of general revenue account by the sum of $12,449. Both net premium income and interest on investments showed a satisfactory gain, the position in this respect for 1918 and 1917 being as follows:

	1918	1917
Net Premium Income	$87,282	$ 78,812
Commission on Re-insur....	10,467	8,772
Interest on Invests........	17,627	15,273
	$115,376	$102,851
Net losses and reserve.....	53,577	28,611
	$ 61,799	$ 74,246
Expenses, etc.	49,349	71,493
	$ 12,450	$ 2,753
Previous Balance	38,606	35,852
Balance	$ 51,055	$ 38,606

The company's gross assets have increased between December 31, 1917 and December 31, 1918 from $354,694 to $370,037. First mortgages, stocks, bonds and debentures, which are lumped together, show an increase from $279,873 to $310,879. Cash on hand and on deposit at $19,791 shows a decrease from $40,493, doubtless due to the financing of war loan purchases. The other items in the schedule of assets are all small, differing very slightly from a year ago.

On the side of liabilities, the reserve for unexpired premiums is up from $46,727 to $48,944; the reserve for outstanding and unadjusted losses from $8,300 to $8,550 and the reserve for taxes and fees from $400 to $500. An increase in the paid-up capital stock from $243,294 to $244,589, is also to be noted. The contingency reserve account stands unchanged at $15,000, while as already noted the balance of revenue and surplus account has been enlarged from $38,606 to $51,055.

Hon. Edward Brown, the president, refers in the directors' report to the gratifying increase in the volume of business being written in spite of inactivity in building and limited expansion in general business. "To maintain a steady increase in the premium income therefore, is evidence of growing confidence in the company and loyalty and energy of its agents and staff."

While looking for a return to normal conditions, Mr. Brown states that there are uncertainties ahead and "while the financial statement shows the company's ability to pay a dividend, until more stable conditions are established, we consider it wise to continue for another year, the policy adopted at the beginning of the war, of strengthening the company's financial position by adding the year's surplus to our reserve and surplus accounts."

HAMILTON'S TAX RATE

At 32 Mills Will be 5 Mills Higher Than Last Year

Hamilton's tax rate for 1919 will be 32 mills, war tax included, an increase of five mills over 1918. It will be sufficient to cover half the overdraft of $283,414, the balance being payable out of 1920 revenue. Estimated revenue is $3,769,640. Of this amount the council has absolutely no control of $2,425,460, or 61 1-3 per cent. of the total income. The amounts other than debentures, sinking fund and interest and 50 per cent. of the overdraft, are as follows: Board of Education, $740,064; police, $188,588 separate schools, $53.378; Library Board, $40,000; Parks Board, $43,908 and provincial war tax, $92,434.

The City Council has no authority to reduce by one copper the foregoing amounts, and thus 20½ mills of the 32 are disposed of, leaving but 11½ mills, or $1,344,180 to take care of all other requirements of the city over which the Council has control.

The overdraft is made up of $80,000, which was carried forward from 1917, and $203,414 for 1918, caused primarily by overestimating the revenue and by military accounts of $32,342, which have been carried as open accounts. Debentures could be issued for the latter amount, but the present board was opposed, it was said, to adding any additional debenture debt for such items.

GOOD PROGRESS BY THE CANADA NATIONAL FIRE

Over Two Millions More Business Written Than in 1917

LOSS RATIO IS LOWER

Contingent Reserve Increased to $100,000, and Both Net Surplus and Policyholders' Surplus Larger

Despite the handicaps of the past year, the Canada National Fire Insurance Company reports that 1918 was the most satisfactory year in the history of the company. Not only was more business written than in 1917, but, in respect to losses, the ratio was even more favorable than was the case in the previous year when a very satisfactory showing was made in this particular. Income was quite considerably enlarged; expenses were held within reasonable bounds; assets were increased, and the large surplus to policyholders, of which the company is justly proud, was still further extended.

The volume of business written amounted to $22,520,425, comparing with $20,002,346 in 1917 and $21,892,153 in 1916. Only in one previous year was a larger total obtained, that being in 1915, when $23,223,662 was written. The hope is expressed by the directors that with a return to normal times and a resumption of building operations, the volume of insurance written will be materially increased.

Over Thirty Millions

Gross insurance in force at the end of the year was $31,775,452; re-insurance amounted to $8,700,103 and net insurance, $23,075,349. These figures compare favorably with gross insurance of $31,076,730, and net insurance of $22,691,927 at the end of the preceding year. Premiums on the net insurance amounted to $323,400 for 1917 and $341,792 for 1918.

Having viewed the constructive side of the year's business, let us consider the other aspect, viz., the fire losses. 1918 was a year of very heavy losses for insurance companies in general, but the Canada National was fortunate in this particular. Its net losses were only $83,209. While this sum was about $10,000 greater than for 1917, the loss-ratio was actually less, being 43.79 per cent., as compared with 46.65 per cent. in 1917. As the average for all fire companies in Canada for 1917 was 52.42 per cent., the showing of the Canada National is obviously gratifying.

Receipts and Expenses

The following table given, in comparison with 1917, the principal features of the revenue and expenditure account. The premium income is the net income after deducting cancellations, rebates and re-insurance. The dividend payment is at the rate of 6 per cent. per annum, the increase in amount being due to an increase in the capital stock from $1,762,048 to $1,795,077.

	1918	1917
Premium income	$190,116	$157,939
Profits	151,092	148,205
	$341,208	$306,145
Fire losses	83,209	73,657
	$257,999	$232,488
Expenses	97,876	93,945
	$160,123	$138,543
Dividends	107,375	105,193
	$ 52,748	$ 33,350
Depreciation, etc.	2,009	2,117
	$ 50,739	$ 31,233
Contingent reserve ...	25,000	75,000
	$ 25,739	$ 43,767
Balance forward ..	362,495	406,262
Balance	$388,232	$362,495

The Balance Sheet

The main feature of the statement of assets is the decrease in mortgage loans and the increase of stocks and bonds, this being a development of the year common to all insurance companies. The former item shows a decline from $1,625,236 to $1,532,208: the latter an increase from $164,906 to $447,040. With respect to mortgage loans, the directors state that the payment of principal and interest showed considerable improvement over the preceding year. As for bonds and stocks, the increase is due to further purchases of war bonds. The company has subscribed altogether for $555,000 of these bonds, on which, at Dec. 31, 1918, $329,983 had been paid.

There is to be noted a small increase in holdings of real estate other than head office property, the 1918 figure being $185,830, as against $141,540 for 1917. Office furniture and fixtures have been written down from $19,053 to $18,081. Agents' balances at $45,640 are slightly larger, while cash on hand and in banks at $72,321 shows a considerable contraction from the $223,487 on hand a year before.

The reserve set aside for unearned premiums has been enlarged from $124,525 to $142,393, this being based on the Government standard. Reinsurance premiums held on deposit amount to $61,012, an increase of $4,234. The contingent reserve has been increased by $25,000 to $100,000, as an offset to any possible depreciation in the value of the company's securities. The net surplus stands at $245,838, an increase for the year of $7,869, while adding the paid-up capital of $1,795,077 there is a surplus to policyholders of $2,040,916.

For the well groomed man
TEXEND BRACES
Finer than the imported
The Dominion Suspender Co. Limited
NIAGARA FALLS, ONT.

ASSESSMENT SYSTEM
CANADIAN ORDER OF CHOSEN FRIENDS
HEAD OFFICE HAMILTON, CANADA

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

Dr. J. W. Edwards, M.P., Grand Councillor.
W. F. Montague, Grand Recorder.
W. F. Campbell, Grand Organizer.
J. H. Bell, M.D., Grand Medical Ex.
HAMILTON - ONTARIO

British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance.
HEAD OFFICE - - LONDON
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, O.B.E., Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.
Assets, over - - $3,500,000.00
Losses paid since organization, over - $43,000,000.00

Western Assurance Company
Fire, Marine, Explosion and Automobile Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets over - - $6,000,000.00
Losses paid since organization over - - $70,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, O.B.E., Lt.-Col. the Hon Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

SOLICITORS

TORONTO

BLAKE, LASH, ANGLIN & CASSEL
Barristers, Solicitors, Etc.
Canadian Bank of Commerce Building, Toronto
Cable Address: Blakes, Toronto.
General Solicitors for the Canadian Bank of Commerce, National Trust Company, Limited, etc.

CHARTERED ACCOUNTANTS

EDMONTON, ALTA.
Baldwin, Dow & Bowman, Jackson Block.

ROYAL BANK OF SCOTLAND
Incorporated by Royal Charter 1727
Paid-up Capital .... £ 2,000,000
Rest and Undivided Profits.. 1,030,470
Deposits 29,202,380

Head Office:
St. Andrew Square, Edinburgh.
Cashier and Gen. Mgr., A. K. Wright.
Secretary, J. B. Adshead.
London Office—3, Bishopsgate, E. C. 2.
Wm. Wallace, Manager.
Glasgow Office—Royal Exchange Square and Buchanan Street.
A. Dennistoun, Agent.
167 Branches throughout Scotland.

Banking business of every description transacted. Deposits received at interest repayable at call or at notice. Drafts, Circular Notes, Letters of Credit and Cable Transfers issued — available throughout the world. Foreign Exchange. Accounts opened and Agency business undertaken for Foreign and Colonial Banks and other financial establishments. Correspondence invited.

FOURTEEN BANKS CLOSE UP DOORS IN MINNEDOSA

Continued from page 6.

ed by scores of different persons. Until the examiners check up the financial responsibility of each note signer, it will not be known just what the total loss to the involved banks is likely to be.

Schafer was engaged in financing many concerns, including the Hurford Nitrogen Company, the Shattuck Veneer Package Company, and he was taking care of the finances of the Commonwealth Company and the Mortgage Securities Company, all at one and the same time. Those who have been somewhat in touch with his operations say they believe all his money was employed to take care of these promotions and keep up running expenses.

His Career

Son of a well-to-do butcher of Millbank, S. D. in the years since he first came to Minneapolis to sell automobiles, Schafer has had interests in a dozen of business and promotion schemes.

The motion picture business received much of his attention. He has transacted business in Minneapolis through the Schafer Film Company, the Schafer Film Laboratories Company and the Wescott Film Corporation. Schafer is said no longer to have any interest in the film concerns, except the Wescott Film Corporation, which he still controls.

The Hurford Nitrogen Company and the Shattuck Veneer Package Company were industrial promotion schemes which he engineered. Notes of two of the film companies and both the industrial enterprises — notes which it is alleged were virtually without value—appeared in Schafer's dealings in connection with the mortgage concerns which received his most serious attention, and for which he deserted the movie game. The mortgage concerns of which Schafer obtained control were the Mortgage Security Company and the Commonwealth Mortgage Company.

According to allegations in proceedings now pending in federal court, he almost succeeded in gaining control of a third company, the Western Finance Company, but was blocked by a restraining order obtained by other stockholders.

UNLISTED SECURITIES

	Bid	Ask.
Abitibi Power, pref.	90	..
Alta. Pac. Grain, pref.	85	92½
Belding Paul, com.	24	30
Brand.-Hend., com.	44	50
Brit.-Am. Assurance	9	12
Can. Machinery, com.	20½	24
Can. Oil, com.	43	47
Carter-Crume, pref.	51	60
Dom. Glass	42	43
Dom. Power, pref.	89	94
Dunlop Tire, 6s	90	97
Eastern Car, 6s	90	97
Home Bank, xd. 1¼	70	75
Int. Milling, pref.	85	92½
Lambton Golf	400	440
Maritime Coal, com.	18	22½
Massey-Harris	105	135
Macdonald, com.	24	..
National Life	40	..
N.S. Steel, 6% deb.	85	91½
Ontario Pulp, 6s	86	90
Rosedale Golf	350	410
St. Law. Sugar bonds	93	..
Steel & Rad., com.	14	20
Do., pref.	..	65
Sterling Bank	88	..
Sterling Coal, 6s	72½	77
Toronto Carpet	95	..
Tor. Pow., 5s (1924)	85	90
Trusts & Guarantee	80	85
Volcanic Oil & Gas	..	95
West. Assurance	7¾	9
West. Can. Fl., 6s, (1931)	96	99

DIVIDENDS

Company	Date	Rate	Record
Can. Steam., com.	Mar. 1	1%	Feb. 15
Int. Nickel	Mar. 1	50c	Feb. 13
Bk. of Hamilton	Mar. 1	3%	Feb. 20
Union Bank	Mar. 1	2½%	Feb. 14
Bk. of Commerce	Mar. 1	3%	Feb. 13
Bk. of Montreal	Mar. 1	3%	Jan. 31
Home Bank	Mar. 1	1¼%	......
Royal Bank	Mar. 1	3%	Feb. 16
Bk. of Toronto	Mar. 1	3%	Feb. 12
Bk. of Hochelaga	Mar. 1	2¼%	Feb. 15
Detroit-United	Mar. 1	2%	Feb. 13
Woods Manfg.	Mar. 1	1¾%	Feb. 22
Lake of Woods, com.	Mar. 1	3%	Feb. 22
Do., pref.	Mar. 1	1¾%	Feb. 22
Ogilvie Flour	Mar. 1	1¾%	Feb. 20
Crow's Nest Coal	Mar. 1	1½%	Feb. 25
Dom. Found., pref.	Mar. 1	2%	Feb. 22
Do., com.	Mar. 1	2%	Feb. 22
Sher-Williams, pfd.	Mar. 31	1¾%	Mar. 15
Montreal Loan	Mar. 15	2½+1	Feb. 28
Mon. Cotton, com.	Mar. 15	1%	Feb. 28
Do., pref.	Mar. 15	1¾%	Feb. 28
Kerr Lake	Mar. 15	25c	......
Paton Mfg.	Mar. 15	4+2%	Feb. 28
West. Can. Flour	Mar. 15	2%	Mar. 5
Belding, Paul, pfd.	Mar. 15	3½%	Mar. 1
McKinley, Darr.	Apr. 1	3%	Mar. 8
Dom. Textile, com.	Apr. 1	2%	Mar. 15
Loew's Theatre	Apr. 1	1¾+10	......
Penn. Water & Pr.	Apr. 1	1½%	Mar. 19
Can. Pacific Ry. com.	Apr. 1	2½%	Feb. 28
Do., pfd.	Apr. 1	2%	Feb. 28
Shredded Wheat, com.	Apr. 1	2%	Mar. 21
Do., pref.	Apr. 1	1½%	Mar. 21
Dominion Bank	Apr. 1	3%	Mar. 20
Can. Permanent	Apr 1	2½%	Mar. 15
Mackay, pref.	Apr. 1	1%	Mar. 8
Do., com.	Apr. 1	-1½%	Mar. 8
Molsons Bank	Apr. 1	3%	......
Bk. of Nova Scotia	Apr. 1	4%	Mar. 15
Dom. Glass, com.	Apr. 1	1%	Mar. 15
Do., pref.	Apr. 1	1¾%	Mar. 15
Laur. Power	Apr. 15	1%	Mar. 31
Dom. Textile, pfd.	Apr. 15	1¾%	Mar. 31
Penman, pref.	May 1	1½%	Apr. 21
Do., com.	May 15	1¾%	May 5
Kerr Lake Mines	June 15	25c	June 1

Recent announcement by the United States Treasury gives total subscriptions to Fourth Liberty Loan as $6,983,078,250. New York Reserve District took $2,044,-931,000.

CANADIAN STOCKS

Quotations of listed Securities on the Montreal and Toronto Stock Exchange, with prices at closing on Feb. 28. In stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active (Reserve Funds, Profit and Loss, include all Reserves except "Depreciation.")

BANKS

Capital Stock Outstanding	Reserve Fund	Profit and Loss	Net Earnings % 1917-18	Dividends 1915	1916	1917-18	Last Dividend Date 1918-19	Rate	Yield to Feb. 20	BANKS	Range 1916 High	Low	Range 1917 High	Low	Range 1918 High	Low	Range 1919 to Feb. 20 High	Date	Low	Date
4,866,666	3,017,333	428,844	13.70	7	7	8	5th Oct.	s. 4	4.84	British North America	112	110	112	112	165	112				
15,000,000	15,000,000	1,444,812	19.00	10+2	10+2	10+2	3rd Dec.	2½+1	4.87	Commerce	203	183	188	182½	202	183¾	215	Jan. 9	201	Jan. 2
6,000,000	7,000,000	446,503	18.10	12	12	12	2nd Jan.	q. 3	5.58	Dominion	220	204	212½	202	209½	199	219	Jan. 20	210	Jan. 3
3,000,000	3,300,000	232,421	19.95	12	12	12	2nd Dec.	q. 3	5.97	Hamilton	197	246¾	192	184	188⅛	184	209	Jan. 15	189	Feb. 20
4,000,000	3,800,000	62,959	14.87	9	9	9	3rd Dec.	q. 2¼	5.08	Hochelaga	149	145	145	140	143	140	148	Jan. 15	147	Jan. 13
7,000,000	7,000,000	1,204,942	16.92	12	12	12	1st Feb.	q. 3	5.80	Imperial	203	180	200½	185	202½	185	210	Jan 20	202½	Jan. 2
1,946,806	300,000	145,238	11.15	7	5	5	2nd Dec.	q. 1¼	4.42	Home Bank	....	....	....	....	....	....	....		....	
7,000,000	7,000,000	437,973	17.66	10	10	10	1st Feb.	q. 2¾	5.78	Merchants	180	150	170	167	180	169	192	Feb. 1	180	Jan. 2
4,000,000	4,800,000	248,029	17.80	11	11	11	2nd Jan.	q. 2¾	5.64	Molsons	195	182	186	179½	179½	179¾	200	Jan. 17	179½	Jan. 3
16,000,000	16,000,000	1,901,613	16.01	10+2	10+2	10+2	2nd Dec.	q. 2½+1	4.70	Montreal	240½	219	234	210	218½	210	216½	Jan 21	212	Feb. 5
2,000,000	2,000,000	59,965	20.88	8	8	8	1st Feb.	q. 2¾	6.08	Nationale	134	134	149	134	148	148	....		....	
6,500,000	12,000,000	749,694	21.70	14	14	14	2nd Jan.	q. 3½	5.18	Nova Scotia	261	254	257½	248½	251½	248	272	Jan. 29	255	Jan. 4
4,000,000	4,750,000	199,855	16.12	12	12	12	2nd Dec.	q. 3	5.76	Ottawa	204	202	202	200	206	201	208	Feb. 1	203	Jan. 4
14,000,000	15,000,000	535,757	20.06	12	12	12	2nd Dec.	q. 3	5.76	Royal	221½	210	214	208	215	205	214	Jan. 2	205	Feb. 17
3,500,000	4,500,000	227,326	19.91	13	13	13	1st Feb.	q. 3¼	6.21	Standard	221	211¼	215	200	208½	200	215	Jan. 13	209	Feb. 4
1,216,932	350,000	60,873	15.38	6	6	6	15th Feb.	q. 1½	6.12	Sterling	....	....	....	....	....	....	....		....	
5,000,000	6,000,000	625,623	16.90	11	11	11	2nd Dec.	q. 2¾	5.47	Toronto	215½	190	192	187½	193½	184¾	205	Feb. 4	193	Jan. 6
5,000,000	3,600,000	126,298	15.48	8+1	8+1	8+1	2nd Dec.	q. 2¼	5.62	Union	140	132	142	135	162	137	171	Jan. 7	157½	Feb. 20

TRANSPORTATION—RAILWAYS, NAVIGATION AND STREET CARS

Company	Range 1916 High	Low	Range 1917 High	Low	Range 1918 High	Low	Range 1919 High	Date	Low	Date
Barcelona, T. L. and P.	17	19	7	8	15¾	8¾	13¼	Jan 10	10	Feb. 14
Brazilian Traction L. and P.	62⅝	43	47¾	31¾	40	32	55	Jan 16	50	Feb. 4
Brazilian Traction, Pref.										
Canada Steamships Lines, Com	45	16	45⅝	29¾	51	39½	45⅞	Jan. 2	41½	Feb. 2
" " " Pref	95½	89¾	93¾	71	80	72½	79¼	Jan. 22	77	Feb. 13
Canadian Pacific Railway	182½	163¾	167½	127½	185	137¾	160	Jan. 9		
Detroit United	128½	69	128	104¾						
Duluth Superior Traction Co., Com	49	37	51	40	42	41				
Illinois Traction, Com.										
Illinois Traction, Preferred										
Mexico Tramways Co.										
Minn., St. P. and S.S.M., com.	91	87¾	89	79	80	80	80	Feb. 1		
Montreal Tramways	181	144	150	150						
Northern Ohio Traction										
Porto Rico Railways Co., Com.	49½	30	42	30	37	25¼	35	Feb. 8	33	Feb. 6
" " Pref.	30		80	80						
Quebec Railway L., Heat & P. Co.	45	14	35½	14¾	22½	15	19	Jan. 21	16½	Feb. 19
Toronto Railway	111	72	90½	58⅝	63	58	55	Jan. 4	43¾	Feb. 14
Twin City, common	101	93⅝	95	53	65½	39½	46	Feb 5	39	Jan. 2
Winnipeg Electric	110	90	81	36	48	48	48½	Feb. 20	35	Jan. 16

TELEGRAPH, LIGHT AND POWER UTILITIES

Company	Range 1916 High	Low	Range 1917 High	Low	Range 1918 High	Low	Range 1919 High	Date	Low	Date
Bell Telephone	152	140	150	129	132¼	128	130	Jan. 2	129	Feb. 17
Consumers Gas	176	160	165½	147	153	144½	152	Feb. 14	150	Jan. 4
Calgary Power										
Mackay, common	69¾	64½	90	70¾	79¾	72½	77	Feb. 20	71½	Jan. 23
" preferred	15	15	68	59	65⅞	56½	66	Feb. 20	64¼	Jan 28
Mexican Light and Power Co., com.					20	18				
Montreal L., H. and Power Cons.			82⅞	67½	88½	68¾	90	Feb 17	84½	Feb.
Ottawa, Light, Heat and Power Co.	95¾	92	92	69¾	86	69	80¾	Jan. 30	75	Jan. 18
Shawinigan Water and Power Co.	137	126¾	130½	107	118½	105	117¼	Feb. 15	114½	Jan. 13

INDUSTRIALS AND MISCELLANEOUS

Company	Range 1916 High	Low	Range 1917 High	Low	Range 1918 High	Low	Range 1919 High	Date	Low	Date
Abitibi Power and Paper, com.			58⅜	48	51⅛	48	54	Feb. 20	48	Jan. 3
Amer. Cyanamid, com.			30	19	35⅞	21				
Ames Holden McCready Co., com	35	19½	23½	12	28	15	29	Jan. 17	26	Jan. 3
" " pref.	80½	52	61	47	72½	47	76½	Jan. 22	65⅜	Jan. 2
British Col. Fish, com.			56	35	51½	41	49	Jan. 6	48	Feb. 1
Brompton Pulp and Paper, com.			59	38	63½	41¾	61	Jan. 7	56	Feb. 3
F. N. Burt Company, com.	88	72	82	65	75	63½	82	Feb. 6	71	Jan. 13
" " pref.	96	86	93½	86	90	77¾	92	Jan. 22	90	Jan. 22
Canada Bread, com.	30	16½	20	13	24½	16	23½	Jan. 11	18	Feb. 11
" " pref.	90	87	86½	80	83¾	93¾	85	Jan. 18	83	Feb. 13
Canada Cement, com.	73	37¾	69⅞	52	69¾	56½	66⅝	Jan. 33	63	Feb. 6
" " pref.	9	86	95¾	90	96	90	97	Feb. 13	95	Jan. 2
Canadian Car and Foundry, com.	75	32	46½	17	38¾	18	32½	Feb. 13	28	Jan. 2
" " pref.	94	1¾	89	49	91	49½	86	Feb. 20	82	Jan. 23
Canadian Converters	46	34	43	39	50	43	47	Jan. 25	45	Feb. 6
Canadian Cottons, Limited com.	65	39	56	46½	70	48½	68	Jan.	67	Feb. 20
Canadian Cottons, Limited, pref.	82½	75½	82	75	77	71	76¼	Feb. 18	76	Jan. 10
Canadian Fairbanks-Morse, pref.										
Canadian Foundries & Forgings, co	217	170	205	150	213	150	200	Feb. 18	191	Feb. 18
" " pref	90	85	84	82	97	90	89¼	Feb. 13		
Canadian Locomotive Co., com.	64½	51	64	52½	69⅛	58	63¾	Jan. 2	60	Feb. 20
" " pref.	99	81	91½	83	90½	83	90½	Jan. 10	90	Jan. 14
Can. Consolidated Rubber, com.	91	84	99¾	90	100	98				
" " pref.	97	91	99¾	95	98	97	98	Jan. 16	97	Feb. 7
Canadian General Electric, com.	121	108	115½	99¾	106	99¼	104½	Jan. 8	102	Feb 13
" " pref.	112	110	106	94½	110	100				
Carriage Factories, Limited, com.	44	29¾	25	9¾	17	15				
" " pref.	75	60								
City Dairy, com.	98	89	30	30	50	30				
" pref.	100½	92	70	60	87	60	84	Feb. 18		
Dominion Bridge Co.	231½	160	170	125	128	123	123	Jan. 13		
Dominion Canners, com.	22	15	26	19	43	40				
" " pref.	65	61½	78	65	81	65	39¼	Jan. 11	36	Jan. 17
Dominion Steel Corporation, com.	82	43	71¼	50¾	65	53	83¾	Feb. 13	76	Jan. 10
Dominion Iron and Steel, pref.	105	90	95	87½	98	88	62½	Jan. 3	58¾	Feb. 3
Dominion Coal, pref.	99	93	96½	85	95	94¾	95¼	Feb. 20	93½	Jan. 2
Dominion Textile, com.	90½	74½	89	76½	100½	80¾	98	Feb 3	97	Feb. 19
" " pref.	105	101	105	99½	102	100	104	Jan. 4	100	Feb. 5
Goodwins, Limited, com.	40	40			15	11	101½	Jan. 4	101	Jan. 15
" " pref.	75	40	45	45	45	45	10	Feb. 5		
Goulds Manufacturing Co., com.			100	100	100	100	45	Jan. 11		
" " pref.			100	100	100	100				
International Petroleum	15.30	11.60	20.50	13.00			21.75	Feb 11	19.25	Jan. 8
Lake Superior Corporation			24	10¼						
Lake of Woods Milling Co., com.	136¼	122	130	120	169	120½	165	Jan. 14	159¾	Feb. 20
" " pref.	129	116	116	116	110	100	106½	Jan. 16	106	Jan. 17
Laurentide Co.	217½	176	195	152	198	152	209½	Feb. 20	192	Jan. 10
Lyall Construction Co., com.	93	25	80	53	85½	63				
A. Macdonald Co. com.	19½	10	15½	8	23	13½	23	Jan. 9	21½	Jan. 10
" " pref.										
Maple Leaf Milling, com.	122	100	115	90	140	91	137½	Jan. 2	121½	Jan. 30
" " pref.	108	93	103	91¾	98½	91½	98½	Feb. 10	96¼	Jan. 8
Montreal Cottons, Ltd., com.	63	50	58½	49	61	50	61	Jan. 22	58⅜	Jan. 9
" " pref.	115	99	103	99	100	99½	100¼	Jan. 16	100	Jan. 17
Monarch Knitting Co., com.	40	25½	40	30	46	39	50	Jan. 28		
" " pref.	83	80	81	80	80½	75	80	Jan. 13	78	Jan. 6
National Steel Car, com.			21	5	10½	5	12	Feb. 3	5	Jan. 16
" " pref.			78	17	40	20	35½	Feb. 5	18	Jan. 14
Nova Scotia Steel, com.	154½	93¾	128	66	71½	63½	66	Jan. 6	49¾	Feb 11
" " pref.	115	110	112	105	103	100	106	Feb. 12	105	Jan. 10
Ogilvie Flour, com.	152	127½	158	137	205	140	224¾	Jan. 11	206	Feb. 19
" pref.	116	44½	115	107	111	100	110	Feb. 8	106	Jan. 13
Ont. Steel Products, com.	45	19	34	18	35	22½	32½	Feb. 19	27½	Jan. 4
" " pref.	91½	73	74	74	28	73				
Pacific-Burt Co., com.	29	20	40	28	34	34				
" " pref.	83¾	77½	82	79	77¼	77¼	77¼	Feb. 18		
Paton Manufacturing Co.			130	124	124	124				
Penmans, Limited, com.	78	60	73½	64	84	65	86	Feb. 20	77½	Jan. 4
" pref	90	82	86	81½	85¼	81½	85	Jan. 3	82¾	Feb. 5
Price Bros.	132	60½	134	115	151	120	167	Feb. 17	150	Jan. 10
Riordon Pulp and Paper, com.	150	59	127	106	123	117¼	122	Feb. 18	11~¼	Jan. 2
" " pref.			95	90	97	92½	96	Feb. 4	94	Jan. 4
William A. Rogers, Ltd., com.	99	85	80	40						
" " pref.	99	87	92	90						
Russell Motor Car, com.	114	32	92	50	90⅞	55	70	Feb. 19	68	Feb. 19
" " pref.	139	66	122	72	91⅛	68¼	80	Feb. 3	70	Jan. 10
Sawyer-Massey Co., com.	30	20	24	8	13	10				
" " pref.	134½	58	41	40	40	40				
Sherwin-Williams, com.	99⅞	53½	60	56	60	60	60	Jan. 3		
" " pref.	100	97½	100	98	100	99	99	Jan 6		
Shredded Wheat, com.	140½	102¼	137¾	112	112	100	125	Jan. 13		
" " pref.	120	95	95	95	92	87	99	Jan. 13		
Smith Paper Mills, Com.			74½	66	66	65				
" " Pref.					80	73¾				
Spanish River Pulp Mills, com.	24¼	3½	19	12½	20	12¾				
" " pref.	70	29	59¼	47	64¾	20	19½	Feb. 17	17	Jan. 14
Steel Co. of Canada, com.	88¾	34¾	71½	47⅛	74¼	49¾	72¼	Feb. 20	63⅛	Jan. 23
" " pref.	107¾	82½	100½	84½	98	84	65½	Jan. 8	57½	Feb. 1
Standard Chemical, pfd.					62	62½	95	Jan. 6	93	Feb. 5
St. Lawrence Flour, com.					97¾	20	96	Jan. 2	90	Feb. 12
" " pref.			56	49	65	80	80	Feb. 8		
Tooke Bros., com.	25	16	19	19	30	15				
" " pref.	83	78	79	70	77	72¼	72¼	Feb. 4	70	Feb. 4
Toronto Paper Co.	96	44	90	72	72⅝	65	69	Feb. 11		
Tuckett Tobacco, com.	25	23½	22¼	17	24¼	18½	27½	Feb. 19	22	Jan. 17
" " pref.	90	75	83½	78	82½	72¾	80	Jan. 6		
Wabasso Cotton					61	21	62	Feb. 19	58	Jan. 2
Wayagamack com.			97	50	55	50	55	Jan. 2	50	Feb. 13
Woods Manufacturing Co., Ltd. com.	65	33	61	44	98	57¼	90	Feb. 11	86¼	Jan. 13
" " pref.	101	84	86	80	85	83⅜				

LOAN, INSURANCE AND FINANCIAL STOCKS AND MISCELLANEOUS

Common Stock outstanding	Deposits Preferred Stock or Debentures Outstanding and Int.	Reserve and Contingent P. & L.	Dividends 1917-18	Last Dividend Date	Per cent.	LOAN AND TRUST	Range for Year 1917 High	Low	Range for year 1918 High	Low	Latest Price Ask	Bid	Last Sale
1,205,090	3,847,080	1,337,989	9	2nd Jan.	q. 2¼	Canada Landed	160	150	149¾	140	150	.....	140
6,000,000	19,626,287	5,672,509	10	2nd Jan.	q. 2½	Canada Permanent	173	162½	169½	162½	172		172
1,750,000	4,968,206	1,842,074	10	2nd Jan.	q. 2½	Central Canada					190		
20,000	2,981,290	427,213	6	2nd Jan.	s. 3	Col. Investment, pref.	77	63	69	63	74	81	81
934,676	1,032,651	271,556	5	2nd Jan.	s. 2½	Dominion Savings			76	75		82	81
2,412,566	2,221,508	827,258	5	1st July	Def.	Great West Per.							89½
1,200,000	2,091,322	1,228,940	8	2nd Jan.	s. 4	Hamilton Provident	142	137	133	121		135	133
2,500,000	12,299,412	3,323,337	12	2nd Jan.	q. 3	Huron and Erie	211	205	204	203		210	210
1,000,000	1,597,848	886,732	8	2nd Jan.	s. 4	Landed Banking	143	143	141	140		139	140
1,250,000	2,653,710	924,981	8	2nd Jan.	q. 2	London and Can. Loan	132	128½	126½	126½	126		125½
887,849	1,661,386	362,385	6+1	2nd Jan.	q1½+½	London Loan and Sav							
600,000	317,808	764,494	10+1	15th Dec.	q. 2½	Montreal L. & Mtg. Co.	165	162½	152				
1,500,000	7,892,179	1,662,183	10	1st Jan.	q. 2½	National Trust	212	207½					153
1,750,000	3,749,473	2,093,943	9	2nd Jan.	q. 2¼	Ont. Loan and Deb.	175	175				210	207½
500,000	643,698	262,759	7	2nd Jan.	s. 3½	Real Estate Loan						155	155
1,500,000	34,589,757	2,152,812	10+1	2nd Jan.	q 2½+1	Toronto Gen. Trusts	218	200	204	199¾	207	145	
724,550	1,773,183	659,449	8	2nd Jan.	q. 2	Toronto Mortgage Co.	140	136	134				204
1,000,000	1,912,673	1,134,684	10	2nd Jan.	q. 2½	Toronto Savings						134	134
1,000,000	11,157,301	494,065	7	2nd Jan.	q. 2	Union Trust							185
,000,000	49,964,580	7 4*3,612	15	2nd Jan.	q. 2	Canada Life Assurance							178
													190

Common Stock Outstanding	Bonds, Preferred Stock or D'b'ntures Outstanding	Reserve and Contingent P. & L.	Dividend 1917	Last Dividend Date	Per cent.	MISCELLANEOUS COMPANIES	Range for year 1917 High	Low	Range for Year 1918 High	Low	Latest Price Ask	Bid
3,000,000		1,395,591		15th Jan.	1½	Asbestos Corporation, com.	21	12	45	15	52½	
	7,000,000			15th Jan.	1½	" " pref	58	42	62¾	44¾	69	68½
1,500,000			6	1st Jan.	s. 4	Canadian N. Prairie Lands						
800,000	390,000	1,888,183	9	1st Jan	q. 2	Canadian Salt	136	128	132	126		125
59,109		451,006	8	23rd Dec.	$5	Can North-West Land						
100,000	11,234,281	1,757,277	$5	31st Dec.	q. 5	Confederation Life A.	330	330			375	
6,212,666		1,969,045	20	2nd Dec.	q. 1¼	Crows Nest Pass Coal	70	50	55	50		
1,000,000		501,345		15th Jan.	q 1¼	Dominion Telegraph	89	76½			80	62
3,000,000	12,669,500	292,230	6			Electrical Dev., pref.						
450,000	b 7,072,095			1st Jan.	q. 2½	Imperial Life Assur.						
500,000	460,400	1,991,255	10	5th Feb.	s 3½	Intercolonial Coal, pref.						
3,000,000		785,511	7	1st Mar. '14	1	Intern. Coal and Coke					80	
2,196,951	1,922,500	133,458	7	15th Feb.	q. 2	Kaministiquia Power	25		25			
637,480	b 585,937	652,429		2nd July '17	s. 3	London Street	120		120		120	
2,000,000		136,566	7	15th Jan.	q. 2	Montreal Telegraph	138	115	120	120		120
925,000	b1,123,000	119,740	8+10cts			Nia., St. Kath. and Tor.						
1,164,000	b 741,000	286,076	3½	10th July '15	q. 1½	Trinidad Electric						
2,340,100	b1,439,926	850,434	8+2	16th Dec.	q. 2	W. Can. Flour Mills						
800,000	b 600,000	605,068	5	1st Jan.	q. 1¼	West India Electric	77	77				

NOTE—s—means semi-annually; q—quarterly; I—interim; L—Profit and Loss; +—indicates bonus; B—means bond; P—preferred stock; d—debentures; *—less than ten shares; sb—stock bonus; A—$500 per share return of capital paid February 1st, September 29th, 1912; Feb. 1st and Nov. 17th, 1913, December 1, 1914.

MONEY BANKING AND EXCHANGE

PEOPLE APPEAR TO HAVE PLENTY OF READY MONEY

Deposits Are Much Higher Now Than Before the War

LOANS ARE HIGHER

Business Still Calling on the Banks For Funds—Demand Deposits Took Considerable Slump in January

With savings deposits at $990,000,000 as compared with $671,214,000 at the outbreak of the war and with demand deposits increased from $346,854,000 in the same period—an increase of about 50 per cent. in the first instance and approaching 100 per cent. in the second, and this after investments of about $1,400,000,000 in Government bonds—there would appear to be no reason to look for serious depression during the period of readjustment so far as the actual supply of money is concerned. If there is a difficulty in this connection it would rather seem to be that there is too much money inactive from the industrial standpoint.

During the month of January there was an increase in savings deposits of $31,526,000 and an increase of $89,685,000 as compared with a year ago Demand deposits showed a decline of $87,114,000 but in view of the fact that the total was still $64,142,000 greater than a year ago it would appear that a portion of "demand" had probably shifted to "notice" to take advantage of the higher interest rate. Seasonal withdrawals for trade purposes following the holiday would also be a probable factor.

Gross assets showed a decline of $86,559,000, a reduction of $38,023,000 in inter-bank balances being an important factor. A reduction of $47,895,000 indicated that the Government had very materially reduced its obligations on short term notes; the remaining obligation was $159,039,000. Other interesting and significant changes were an increase of $20,578,000 in Dominion notes held, a reduction of $25,000,000 in gold reserves, an increase of $7,359,000 in loans abroad, an increase of $4,700,000 in current loans, an increase of $5,944,000 in holdings of public securities and a reduction of $3,009,000 in provincial loans; call loans abroad were reduced by $9,428,000 and balanced in United Kingdom banks by $2,045,000.

Total liabilities were reduced by $91,477,000. In addition to the changes in deposits referred to there was a reduction of $21,076,000 in circulation and of $18,808,000 in obligations to the Dominion Government. Obligations to Provincial Governments increased $6,482,000. Foreign deposits dropped $3,829,000 and balances due foreign banks were higher by $2,284,000.

TO REDUCE BOARD

The Dominion Canners are contemplating reducing the number of their directors from seven to five, with the idea of having a more wieldy body. This matter will be considered at the coming annual meeting of the shareholders in Hamilton, March 5, when the shareholders will be asked to approve a by-law to this effect.

BANK CLEARINGS AHEAD LAST YEAR

But a Further Falling-off Was Reported By Cities in Western Canada

Bank clearings for the week ending Thursday last at $221,058,264 are lower by $32,407,706 than for the previous week, but as compared with the corresponding period in 1918 show a gain of $13,404,887, or 6.4 per cent. The total in the East is $168,571,886, or an increase of $19,259,249, or 12.9 per cent., while in the West the total is $52,486,378, a decline of $5,854,362, or 10 per cent. Eight cities out of twenty-five reporting show lower returns, these being Hamilton and Brantford in the East and Winnipeg, Regina, Saskatoon, Fort William, Brandon, and Medicine Hat in the West. London reports the largest percentage gain with clearings amounting to $2,506,113, a gain of $864,183, or 52.6 per cent. Montreal shows a gain of 16.7 per cent., and Toronto a gain of 5 per cent. Winnipeg, with a total of $30,323,142 reports a falling off of $7,949,287, or 20.8 per cent. Comparative figures for the week follow:

WEEKLY BANK CLEARINGS
(In comparison with same week last year)

Eastern Cities

	Feb. 27, '19	Change	%
Montreal . . . $	82,259,174 +	$11,769,166	16.7
Toronto	59,817,589 +	2,858,349	5.0
Ottawa	6,223,765 +	1,444,080	30.6
Hamilton	4,322,654 —	37,275	.8
Quebec	4,190,355 +	588,413	16.3
Halifax	4,256,613 +	1,189,066	38.7
London	2,506,113 +	864,183	52.6
St. John	2,198,316 +	322,177	17.1
Brantford . . .	810,876 —	45,481	5.3
Peterboro . . .	563,695 +	201	. . . .
Sherbrooke . . .	800,823 +	186,963	30.6
Kitchener . . .	621,913 +	119,405	23.8
Total, East . . $	168,571,886 +	$19,259,249	12.9
Windsor	1,108,548		

Western Cities

	Feb. 27, '19	Change	%
Winnipeg . . . $	30,323,142 —	$ 7,949,287	20.8
Vancouver . . .	10,057,845 +	1,838,316	22.3
Edmonton . . .	2,943,996 +	203,725	7.4
Victoria	1,614,028 +	101,466	6.7
Regina	2,576,341 —	29,589	1.1
Saskatoon . . .	1,320,163 —	128,047	8.8
Moose Jaw . .	1,212,877 +	211,635	21.1
Ft. William . .	484,054 —	100,740	17.3
Brandon	436,753 —	6,013	1.3
Lethbridge . . .	526,684 +	47,824	10.1
N. Westminster	395,586 +	27,845	7.7
Medicine Hat.	302,827 —	158,902	34.4
Prince Albert .	292,082 +	87,405	42.7
Total, West . . $	52,486,378 —	$ 5,854,362	10.0
Grd. Total . . . $	221,058,264 +	$13,404,887	6.4
Yr. to date . . $	2,119,655,067 +	308,222,830	17.0

At the time of going to press THE FINANCIAL POST received the February returns of bank clearings from the following cities:

Quebec	$17,807,808
Peterborough	2,486,985
Sherbrooke	3,282,532
Medicine Hat	1,290,848
Moose Jaw	5,360,682

ANALYSIS OF BANK STATEMENT FOR JANUARY

ASSETS

Immediately A ilable Liquid Resources.

	Jan., 1919	Dec., 1918	Change in month	Jan., 1918	Change in Year.
1—Specie . . . . . $	80,563,677	$ 79,315,616 +	$ 1,248,061	$ 82,443,676 —	$ 1,879,999
2—Dom. notes . .	196,323,477	175,744,885 +	20,578,592	184,949,958 +	11,373,519
4—Gold reserve	105,650,000	130,900,000 —	25,250,000	75,570,000 +	30,080,000
9—U. K. banks	11,821,623	13,867,198 —	2,045,575	14,193,440 —	2,371,817
10—For. banks.	41,501,475	43,220,938 —	1,719,463	43,511,652 —	2,010,177
11—Gov. sec. . . .	159,039,874	206,935,283 —	47,895,409	127,310,016 +	31,729,858
15—Call loans ab.	140,819,656	150,248,322 —	9,428,666	132,687,066 +	8,132,590
	$ 735,719,782	$ 800,232,242 —	$ 64,512,460	$ 660,665,808 +	$ 75,053,974
Loans and Securities Other Than Those of Canadian Government.					
12—Pub. sec. . . . $	259,462,077	$ 253,518,074 +	$ 5,944,003	$ 235,989,801 +	$ 23,472,276
13—Rly. sec. . . .	53,546,118	53,137,962 +	408,156	55,830,072 —	2,283,954
14—Can. call . . .	87,598,427	89,120,423 —	1,521,996	76,239,201 +	11,359,226
16—Cur. loans . .	1,080,340,861	1,075,640,003 +	4,700,858	855,506,506 +	224,834,355
17—Loans ab. . .	126,513,338	119,153,924 +	7,359,414	116,220,343 +	10,292,995
19—Prov. loans .	5,410,289	8,420,256 —	3,009,967	6,657,307 —	1,247,018
20—Municipal . .	32,640,198	30,684,052 +	1,956,146	40,015,466 —	7,375,268
	$1,645,511,308	$1,629,674,694 +	$ 15,836,614	$1,386,458,696 +	$259,052,612
Other Assets					
21—Over. debts. $	3,905,593	$ 4,543,057 —	$ 637,464	$ 4,764,183 —	$ 858,590
22—Real estate.	5,921,594	5,526,339 +	395,255	5,630,190 +	291,404
23—Mortgages . .	2,244,471	2,161,080 +	83,391	1,803,793 +	440,678
24—Premises . . .	52,801,507	52,550,835 +	250,672	51,716,972 +	1,084,535
25—Let. of cre. .	33,693,463	33,670,067 +	23,396	20,781,228 +	12,912,235
26—Other assets	2,063,978	2,042,436 +	21,542	2,444,985 —	381,007
	$ 100,630,606	$ 100,493,814 +	$ 136,792	$ 87,141,351 +	$ 13,489,255
Total . . . . . . $	2,481,861,696	$2,530,400,750 —	$ 48,539,054	$2,134,265,855 +	$347,595,841
3—Note cir. dep.	5,860,976	5,858,102 +	2,874	5,772,350 +	88,626
5-8—Int. bk. bal.	115,552,911	153,576,329 —	38,023,418	97,829,011 +	17,723,900
Gross . . . . . . $	2,603,275,583	$2,689,835,181 —	$ 86,559,598	$2,237,867,216 +	$365,408,367
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation.					
1—Circulation . $	203,424,472	$ 224,501,117 —	$ 21,076,645	$ 171,674,464 +	$ 31,750,008
3—Dom. govt. .	326,119,588	254,927,913 —	18,808,325	106,497,043 +	129,622,545
3—Prov. govt. .	21,238,779	14,756,299 +	6,482,480	17,961,683 +	3,277,096
Deposits by Public					
4—Demand dep. $	623,919,410	$ 711,034,060 —	$ 87,114,650	$ 559,777,237 +	$ 64,142,173
5—Savings dep.	990,000,085	958,473,557 +	31,526,528	900,314,256 +	89,685,829
Total Can. . . $	1,613,919,495	$1,669,507,617 —	$ 55,588,122	$1,460,091,493 +	$153,828,002
6—For. dep.	203,015,797	206,845,143 —	3,829,346	169,581,106 +	33,434,691
Due to Banks Abroad, Etc.					
9—Unt. King. . . $	4,615,499	$ 4,368,847 +	$ 246,652	$ 2,377,948 +	$ 2,237,551
10—Foreign	26,079,366	23,794,453 +	2,284,913	23,775,825 +	2,303,541
11—Bills pay. . . .	1,216,417	916,612 +	299,805	2,788,309 —	1,571,892
12—Accept.	33,693,463	33,670,067 +	23,396	20,781,229 +	12,912,234
13—Other lia. . .	2,566,014	4,830,273 —	2,264,259	8,665,842 —	6,099,828
Pub. liab. . . $	2,345,888,890	$2,438,118,341 —	$ 92,229,451	$1,984,194,941 +	$361,693,949
8—Due bet. bks.	10,885,649	10,133,291 +	752,358	8,984,139 +	1,901,510
Gross . . . . $	2,356,774,539	$2,448,251,332 —	$ 91,477,093	$1,993,179,080 +	$363,595,459

COMMERCE

The Canadian Bank of Commerce announces the opening of new branches at Danforth and Greenwood, and at Woodbine, Toronto.

HAMILTON

Wilfred MacEwen, who has been teller in the Bank of Hamilton at Wingham for some time, has been transferred to the branch at Port Colborne, as teller-accountant.

STANDARD

J. S. Doyle, manager of the Wellesley Branch of the Standard Bank, has been transferred to the branch at New Hamburg as manager.

IMPERIAL

A. E. Phipps, of the Imperial Bank, has been appointed general superintendent of branches. Mr. Phipps was formerly Western superintendent, and is succeeded in the West by H. T. Jaffray, formerly Western inspector.

R. S. Clark, formerly inspector at Toronto, has been appointed superintendent of Eastern branches.

A report from Welland states that the Imperial Bank will shortly open a sub-branch at Crowland, which will be under the management of Mr. Brown.

PROVINCIAL

J. J. Hughes, of Souris, formerly federal Liberal member for Kings, has been appointed provincial manager of the Provincial Bank of Canada, soon to be opened in Charlottetown, P.E.I.

MOLSONS

At a meeting of the board of directors of the Molsons Bank held recently, J. M. McIntyre was elected a director to fill the vacancy caused by the death of George S. Drummond.

TORONTO

Officers of the Winnipeg branch of the Bank of Toronto recently announced that a branch of that institution is to be opened in the Union Stock Yards of that city.

LLOYDS BANK

The annual report of Lloyds Bank, London, which during the past year absorbed the Capital and Counties Bank, shows net profits of $11,791,905 as compared with $9,299,500 for the two banks in 1917. Out of this special allocations have been made amounting to just over $5,000,000, which is about as much again as that so apportioned a year ago. Not only has the position been thus strengthened, but the business of the combined institutions has largely increased. Here a feature has been the addition to deposits, the holding of which has been raised from $1,163,750,000 to nearly $1,335,000,000. From the fact that the advances to customers are higher by, in round figures, $100,000,000, it will be seen that the amalgamation has been of advantage rather than the reverse to those traders needing accommodation for "carrying on." The cash in hand and at call is not quite so large, aggregating $316,250,000.

MONTREAL

The Bank of Montreal has opened a sub-agency at Naramata, B.C.

DOMINION

A new branch of the Dominion Bank has been opened at Marquis, Sask.

BANK OF ENGLAND

LONDON, Feb. 27.—The weekly statement of the Bank of England shows the following changes:—

Total reserve decreased . . . . . . £	909,000
Circulation increased	768,000
Bullion, decreased	140,091
Other securities, decreased. . . .	1,017,000
Other deposits, increased. . . .	836,000
Public deposits, decreased.	4,856,000
Notes reserve, decreased.	973,000
Government securities, dec.	2,038,000

The proportion of the Bank's reserve to liability this week is 20.51 per cent.; last week it was 20.58 per cent.

Rate of discount, 5 per cent.

6½% 6½%
Montreal Tramways & Power Co., Ltd.
Five Year
Secured Gold Bonds
Interest payable half-yearly.
Price: 100 and Interest
Yieldin 6½%
Campbell, Thompson & Co.
Canada Life Building, TORONTO

Poland will have new national currency unit, with same value as French franc. Money will be issued by new national bank, which may be termed the "Fatherland Bank."

EIGHTH ANNUAL REPORT OF THE DIRECTORS OF THE

Canada National Fire Insurance Company

HEAD OFFICE---WINNIPEG, MAN.

TO THE SHAREHOLDERS:

Your Directors beg to present for your consideration their Eighth Annual Report, accompanied by the Statement of Assets and Liabilities and Revenue and Expenditure for the year ended December 31st, 1918, as certified by the Company's Auditors.

At the beginning of 1918, while it was confidently hoped that the War would terminate before the end of the year, it was unreasonable to expect any degree of improvement in general business conditions. The year will always be remembered as one of the most momentous in the World's history, including, as it did, periods of great anxiety and uncertainty, but with the ever-present feeling that victory would eventually come to our allied forces.

Under the circumstances, having due regard for the continuance of War conditions, your Directors are pleased, indeed, to be able to report that the Company experienced a successful year.

While no large increases in our business were hoped for, yet, from the standpoint of volume of business, low loss-ratio and other departments of our business, the results for the year were very satisfactory.

The amount of business written by the Company in 1918 was $22,520,425.00, or $2,518,079.00 in excess of 1917. Only in one previous year did the Company write more insurance and that was in 1915, when the amount was $23,223,662.00. With the return to normal times and a resumption of building operations which may be expected after the necessary readjustment of labor conditions has been effected and the prices of building material have reduced considerably, the volume of fire insurance will be materially increased, which should result in a substantial addition to our premium income.

Premiums on our gross insurance written in 1918 were $287,208.72 as compared with $240,824.04 in the previous year, showing a gain of $46,384.68. Re-insurance premiums in 1918 amounted to $97,091.82, an increase of $14,207.55. Gross insurance in force at December 31st, 1918, totalled $31,775,452.00, being an increase of $698,722.00 over last year, the premiums thereon being $457,705.38 compared with $431,604.36 for 1917.

Re-insurance in force at the close of the year totalled $8,700,103.00, on which the premiums amounted to $115,912.57. Net insurance in force at December 31st, 1918, was $23,075,349.00, the premiums thereon amounting to $341,792.81.

The fire waste in Canada in 1918 is estimated at $35,000,000.00, exclusive of forest fires. This amount, however, includes quite a large amount of uninsured property. The net losses in Canada in 1916 and 1917 incurred by all fire companies operating in the Dominion, were $17,220,231.00 and $18,685,024.00 respectively. The net losses in 1918 will no doubt be considerably in excess of these figures.

It will be seen, therefore, that the year 1918 was not a very profitable one in Canada for the fire companies generally. As regards this Company your Directors are pleased to state that our fire loss-ratio was only 43.79% compared with the satisfactory record of 46.65% in 1917. The average loss-ratio for all fire companies in Canada in 1917 was 52.42%, this being 7.46% less than the average for a period of forty-nine years, from 1869 to 1917. The Company's net fire losses for the year amounted to $83,209.94, which includes $6,095.14 Halifax fire losses in the conflagration of December, 1917.

During the period of the War, or, in other words, a time of depression and disturbed business conditions, the fire hazard was greater than in normal times and it is a matter for congratulation that this Company was able to maintain such a reasonably low loss-ratio. Every possible precaution was taken with this end in view and the results have proved the wisdom of declining doubtful and undesirable risks, and that the volume of business is second only in importance to that of obtaining high-grade risks. This policy will be strictly adhered to.

In the matter of the Company's securities, it will be seen that they consist chiefly of mortgages. These mortgages are upon improved city and farm properties and amount to $1,532,208.01. It will be gratifying to learn that payment of interest and principal showed considerable improvement over the preceding year. With the funds which had accumulated during the year, the Company was enabled to subscribe for another $250,000.00 of Dominion War Bonds; the total subscription by the Company in these Bonds to date amounts to $555,000.00, the amount paid thereon at December 31st, 1918, being $329,983.03. While these bonds yield a lower rate of interest than our first mortgages, thereby reducing to a certain extent the earning power of the Company, your Directors realized the great importance of making a success of the Victory Loan Campaign and accordingly subscribed for another $250,000.00 in 1918, which action on their part will no doubt be heartily approved by the Shareholders.

As mentioned in the last Annual Report, a Contingent Fund of $75,000.00 was created for the purpose of meeting any contingencies which might arise from depreciation in any of the Company's securities and, continuing this conservative policy, an additional sum of $25,000.00 has been set aside, bringing the Contingent Fund up to $100,000.00.

The item, Stocks, Bonds and Debentures, in the Financial Statement, now amounts to $447,040.12, including $329,983.03 paid on account of Dominion War Bonds. With a substantial amount invested in readily convertible securities, the Company's financial position, as regards liquid assets, has been materially strengthened and has the additional advantage of eliminating in a large measure the necessity of maintaining large cash reserves. The amount in banks and on hand at the close of the year amounted to $72,321.62.

The reserve set aside for unearned premiums, or, in other words, the Dominion Government Reserve, amounted to $142,393.66, an increase over the previous year of $17,867.74 accounted for by the increase in business written during the past year.

Re-insurance premiums (held on deposit) which relate to our foreign treaty companies were $61,012.44, being an increase of $4,234.83.

Revenue for the year may be divided into two classes—profits from mortgages, stocks, bonds and miscellaneous sources, $151,092.06, and net fire premiums, after deducting cancellations, rebates and re-insurance, $190,116.90. The total revenue for the year amounted to $341,208.96, a gain over the previous year of $35,063.26.

The expenses for the year showed a slight increase over the previous year due to commissions paid on a larger volume of fire insurance written in 1918.

The usual dividend of six per cent. was declared on the Capital Stock, the amount being $107,375.37, an increase of $2,181.78, due to the amount paid last year on Capital Stock, that is, $33,029.05. In amount of dividends, this Company ranks second among our Canadian fire companies, and the same remarks apply in respect to paid-up capital, which, at December 31st, 1918, was $1,795,077.70.

The important item from the standpoint of the assured, i.e., surplus to policyholders, now amounts to $2,040,916.03, the largest surplus of all our Canadian fire companies, and of all the British and foreign fire companies operating in Canada, only three British companies have a larger surplus to policyholders.

Too much importance cannot be attached to the strong financial position **which this Company has attained** and this has been accomplished in the short space of **about eight years.**

Now that the World War is practically a thing of the past, we in Canada may look forward hopefully to the future. This will be a very eventful year, in which practically the whole world is affected, and until the Peace Conference, now in session, shall have concluded, and the definite peace terms agreed upon, made known to the world, it is difficult to accurately predict at this time what developments will follow.

However, so far as our Dominion is concerned, there is already abundance of evidence at hand that a period of readjustment has arrived and many complex problems will have to be faced. Compared, however, with many other countries, Canada will be less affected, and as she arose to the occasion during the War so she undoubtedly will face the new situation with a strong feeling of assurance and confidence. Greater production in all lines, extended markets for her products, combined with national, as well as individual, effort and determination will combine for the general good and prosperity of our Dominion.

With the splendid organization possessed by this Company it will be in a position to take full advantage of the returning prosperity, and, while thanking the Shareholders for their continued support and patronage, your Directors would again impress upon the Shareholders the importance of active co-operation, and trust that even a larger measure of patronage will be extended to the Company this year than has been the case in former years.

It is with a feeling of warm appreciation that your Directors refer to the untiring efforts of the Officers and Staff and they also wish to thank the numerous Agents of the Company for their splendid co-operation during the past year.

J. H. G. RUSSELL, President.

Winnipeg, February 19th, 1919.

The election of Directors for the current year resulted as follows: J. H. G. Russell, Dr. A. D. Carscallen; Lt.-Col. D. E. Sprague, W. T. Alexander, W. J. Boyd, E. L. Taylor, K.C.; F. H. Alexander, S. D. Lazier, Toronto, Ont.; Col. the Hon. A. C. Rutherford, Edmonton, Alta.; F. N. Darke, Regina, Sask.; Thos. S. McPherson, Victoria, B.C.; Andrew Gray, Victoria, B.C.

At a subsequent meeting of the new board Mr. J. H. G. Russell was elected President; Lt.-Col. D. E. Sprague and F. H. Alexander, Vice-Presidents; and W. T. Alexander, Managing Director.

FINANCIAL STATEMENT, 31st December, 1918

ASSETS

Mortgage Loans on Real Estate and Accrued Interest.		$1,532,208.01
Stocks and Bonds (at cost) and Accrued Interest	$117,057.09	
Dom. Govt. War Bonds (subscribed $555,000.00).	329,983.03	
		447,040.12
Real Estate—Head Office Property	$163,736.32	
Real Estate—Other than Head Office Property	185,830.06	
		349,566.38
Office Furniture and Fixtures, Maps and Plans, less depreciation. . . .		18,081.78
Accounts Receivable		3,665.06
Agents' Balances		45,640.11
Cash in Banks and on Hand:		
Imperial Bank	$ 28,398.46	
Royal Bank	12,117.97	
Imperial Canadian Trust Co.	15,000.00	
Cash on hand	16,805.19	
		72,321.62
		$2,468,523.08

LIABILITIES

Government Reserve for Unearned Premiums		$ 142,393.66
Losses Unpaid (in course of adjustment)		9,239.00
Accounts Payable		7,586.58
Reinsurance Premiums (held as Reserve on Deposit)		61,012.44
Dividend for Year Ending 31st December, 1918		107,375.37
Contingent Reserve Fund		100,000.00
Capital Stock Subscribed—$2,050,400.00.		
Paid up	$1,795,077.70	
Net Surplus	245,838.33	
Surplus to Policyholders		2,040,916.03
		$2,468,523.08

REVENUE

Balance Brought Forward from 1917		$362,494.33
Profits from Mortgages, Stocks and other Sources		151,092.06
Fire Insurance Premiums for 1918	$287,208.72	
Less—Reinsurance thereon	97,091.82	
		190,116.90
		$703,703.29

EXPENDITURE

General Expenses, Salaries, Commissions, etc.:		
Loan and Investment Department	$ 35,757.94	
Fire Department	62,118.97	
		$ 97,876.91
Losses and Loss Adjustment Expenses	$118,108.14	
Less—Reinsurance Recoveries	34,898.20	
		83,209.94
Depreciation written off Furniture and Maps		2,009.08
Dividend for Year ending 31st December, 1918		107,375.37
Contingent Reserve Fund		25,000.00
Reserve for Unearned Premiums	$142,393.66	
Net Surplus	245,838.33	
Balance		388,231.99
		$703,703.29

AUDITORS' REPORT

To the Shareholders:

We beg to report that we have audited the Books and Accounts of The Canada National Fire Insurance Company for the year ending 31st December, 1918, and have found them properly stated and sufficiently vouched. We have verified the Cash on Hand and in Banks and the Mortgages and other Securities. In our opinion the Balance Sheet presents a correct view of the state of the Company's affairs as at 31st December, 1918, according to the best of our information and the explanations given us, and as shown by the Books of the Company.

(Signed) D. A. PENDER, SLASOR & CO.,
Chartered Accountants.

Winnipeg, 15th February, 1919.

SAYS B.C. GOVT. DISCOURAGING U.S. CAPITAL

Nebraska Holder of Canadian Lands Sends Open Letter to Premier Oliver

RESENT CONFISCATION

Suggests Method By Which Government Might Get Wild Lands Profitably Developed Without Hardship

That American settlers and American capital are being distinctly discouraged from entering Canada by legislative action taken in British Columbia in connection with the appointment of the Land Settlement Board and its power to deal with undeveloped tracts of land held by United States interests is the assertion vigorously made by Lysle I. Abbott, of Omaha, Nebraska, in an open letter to the Premier, the Cabinet, and members of the Legislature of British Columbia.

Mr. Abbott points to his early confidence in the future of Canada's unexplored areas, even against the pessimistic views of pioneers, and announces himself the holder of profitably developed lands near Regina which he bought at less than $2 per acre and which have since sold at $75 per acre as good crop-bearing ground.

His B.C. Experience

With increasing confidence in Canadian land, and all good faith in the Government, Mr. Abbott carried on his enterprise into British Columbia, purchasing at $4.50 per acre considerable land in the Nechako Valley, through which the G.T.P. was to run. There was disappointment as to the arrival of steel through the Valley. Not until four years after the expected date was there any passenger traffic. That was in 1914; but Mr. Abbott, with other American holders of lands in the vicinity, continued to pay taxes on their holdings at rates from four to five per cent.

Following the new administration, and aware that legislation was pending which would affect land holdings in British Columbia, Mr. Abbott made repeated efforts to be in personal touch with proceedings at Victoria but found himself at the critical time furnished with a copy of the new law on April 17, and advised that the House would adjourn on April 20. He was informed that his representations by wire would be in order. Feeling himself distinctly deprived of the desired opportunity to make personal representation in support of his property rights, Mr. Abbott awaited the calling of a conference between landholders, the colonization agent of the G. T. P., and the new Land Settlement Board of B.C. This conference he was led to expect would duly sit before anything drastic could be transacted in regard to undeveloped land holdings. Delays and formal acknowledgments of letters followed. A letter asking what was being done that might affect his holdings brought to Mr. Abbott a note to the effect that the land settlement areas under construction were not thought to affect his holdings, but shortly afterwards came a notice under registered mail to the effect that the lands for which 11 years ago he had paid $4.50 per acre and taxes at from 4 to 5 per cent. thereafter, had now been assessed at an average of $5 per acre. The notice further stated that unless the land owner "irrevocably" agreed to part with the land to the Government at $5 per acre within two years from date of the notice, he would be required to do improvements worth $12.50 per acre, and maintain same to the satisfaction of the Land Settlement Board. As Mr. Abbott puts it. "To save $5 from confiscation by an Imperial Government we have got to throw away $12.50 more."

A Development Suggestion

The idea that confiscation or prohibitively high taxation of undeveloped lands in British Columbia is intended to secure development of the lands, Mr. Abbott bases upon a statement by Hon. T. D. Pattullo, Minister of Lands, in an address at Vanderhoof.

In this address Mr. Pattullo is reported to have said: "Under this measure we practically confiscate unused land that is held solely for speculative purposes. An additional penalty of 5 per cent. is placed on the land withheld from sale, besides which, the land will be assessed at the valuation put upon it by the holder who refuses to sell at the price it is valued by the Board."

Mr. Abbott's suggestion is that the Government should, if it demands development, levy a tax on undeveloped land, but pay the money received into a development fund to pay for the work done on the land. If sufficient funds are not so obtainable, then a lien on crops could be made to continue until the Government has been reimbursed for all money advanced, plus interest and expenses. This, Mr. Abbott suggests as the fair thing to do for the landholder who has not the means or may lack the knowledge necessary for proper development of lands which he has had the foresight, courage, and confidence in Canada, to purchase in their undeveloped state.

Mr. Abbott's open letter to the members of the Legislature of B.C. goes on very fully to criticize attempts to encourage American settlers and capitalists to invest in Canada, pointing out that to the average American there is no great distinction between B.C. and all Canada, and concluding:

"If Canada wants American settlers and American capital why don't you and the other Governments in Canada first familiarize yourselves thoroughly with the American point of view before you attempt by legislation to accomplish your purpose? If on the other hand you do not want American settlers and American capital, then continue just as you have been acting and you will certainly accomplish your purpose."

OTTAWA LIGHT AND HEAT'S GOOD YEAR

Increase of 25 Per Cent. in Net Revenue, Despite Higher Operating Costs

A satisfactory year's operations of the Ottawa Electric Company and the Ottawa Gas Company—consolidated as Ottawa Light and Power Company—is indicated by the annual statement which shows revenue of $1,114,915 as compared with $957,300, an increase of $157,614, or 16¼ per cent. statement of the Nova Scotia Savings, increase in expenses from $711,160 to $804,765, at $310,150 showed an increase of $64,008, or better than 25 per cent. This should particularly appeal to the company's shareholders in view of the general conditions prevailing in the field of public utilities and in view also of the fact that the Electric Company suffered an accident at No. 1 power house resulting in loss of $20,000 in repairs and steam production, while the Gas Company faced abnormal rise in the cost of coal.

Dividends took $209,934 and $50,000 was added to the reserve, while $21,190 was written off for bad debts, the balance being carried forward, increasing the surplus from $85,499 to $114,525. Following are comparative figures for the past three years:

	1918	1917	1916
Total rev.	$1,114,915	$957,300	$834,192
Expenditure	804,765	711,160	602,330
Surplus	$ 310,150	$246,140	$231,862
Prev. balance	85,499	58,877	45,296
	$ 395,649	$305,017	$277,158
Less—			
Dividends	$ 209,934	$209,945	$209,947
Reserve	50,000	......	......
Bad Debts	21,190	9,573	8,333
Balance	114,525	85,499	58,878
	$ 395,649	$305,017	$277,158
Earn. on cap.	8.8	7.0	6.7

Balance Sheet

It is interesting to note that the sum of $182,585 was expended upon capital during the year while the capital liability was only increased by $15,600—from $3,483,520 to $3,499,120. In the previous statement the capital expenditure was $109,563. Bank loans were increased from $578,531 to $764,258, while accounts payable decreased from $215,957 to $190,064. Including the addition to the reserve, which now amounts to $770,000, and the additional surplus, the liabilities showed an increase from $6,358,508 to $6,612,968, which was counterbalanced by the enlarged property account and increased stores of merchandise, coal and other supplies; accounts receivable were lower by nearly $50,000.

TORONTO SAVINGS

Earnings Record Was Fairly Well Maintained in 1918

The statement of the Toronto Savings and Loan Company for 1918 showed profits of $147,903 as compared with $150,554 in the previous year and $14,486 in 1916. The returns in each of these years were considerably above those for 1915 and 1914 but under those of the pre-war year 1913, when a high record of $157,102 was established. The 10 per cent. dividend took $100,000 and $50,000 was transferred to the reserve fund, raising the total of that account to $1,100,000 as compared with a paid-up capital of $1,000,000. The balance was, therefore, slightly reduced, standing at $34,604 as compared with $36,701 brought forward. Following are comparative figures for the last three years:

	1918	1917	1916
Bal. forward	$ 36,701	$ 36,147	$ 87,661
Net profits	147,903	150,554	158,486
	$184,604	$186,701	$236,147
Dividends	$100,000	$100,000	$100,000
Reserve	50,000	50,000	100,000
Balance	34,604	36,701	36,147
	$184,604	$186,701	$236,147

The president of the company, Herbert C. Cox, in presenting the report said that all payments maturing during the year on the company's investments were satisfactorily met and the rentals from the property owned promptly paid. The total assets of $4,074,188 were somewhat higher than the total of $4,044,438 for 1915. Currency debentures and deposits were practically unchanged and there was some further decline in sterling debentures outstanding, the total liabilities to the public being reduced from $1,931,430 to $1,912,673, this decline being more than counterbalanced by the additional $50,000 added to surplus from profits. The net value of investments increased from $2,909,235 to $3,995,858, representing the increased funds available for investment referred to and a considerable decrease in cash holdings.

Following are features of the company's earnings record for the past six years:

	Paid-up Capital	Profits	Div.	Pro. Cap.	*Earn. Rate
1918	..$1,000,000	$147,903	10	14.7	7.1
1917	.. 1,000,000	150,554	10	15.0	7.4
1916	.. 1,000,000	148,486	10	14.8	7.4
1915	.. 1,000,000	141,668	10	14.2	7.3
1914	.. 1,000,000	135,658	10	13.5	7.0
1913	.. 1,000,000	157,102	10	15.7	8.4

DEMAND FOR SHIPS

Call For Big Vessels Still Exceeds The Supply

BOSTON.—That the public is taking an altogether too lugubrious view of the outlook for shipping profits, is the firm belief of many authorities in the shipping trade. One who is active in the management of a large fleet of cargo boats says:

A vast amount of tonnage purchased and built for account of the United States Shipping Board is useless for competition in any transatlantic, Mediterranean, African, Asiatic, or Australian business, on account of their type, build, small carrying capacity, and insufficiency of permanent bunker space. For the purpose of successful competition in the ocean carrying trade, only steamers of 5,000 to 10,000 tons deadweight capacity are useful.

Except for ports to which the Shipping Board has established lower rates, which apply only to steamer owned by the board, there has been no substantial decline in rates prevailing for the last year. The demand to-day for steamers that have been returned to owners for operation for their own account, and are suitable for ocean transportation, is far in excess of the supply, and rates are readily obtainable for time charters at from $2 to $2.40 per ton per month on vessels deadweight, above the rates paid by the United States under their requisition charters.

Subscription Lists will close on or before March 10th, 1919

Issue of

MONTREAL, *February 26th, 1919*

$4,000,000

RIORDON PULP & PAPER COMPANY
LIMITED

6%

Ten-Year General (Closed) Mortgage Sinking Fund Gold Bonds

Dated January 1st, 1919. Due January 1st, 1929. Redeemable as a whole or in part, at the Company's option, on sixty days' notice, at the following prices and accrued interest:—105 through December 31st, 1926; 102 through June 30th, 1927, and 101 thereafter. Principal and semi-annual interest payable at Montreal, Toronto, Boston, Mass., U.S.A., or at London, England. Coupon Bonds with privilege of registration as to principal. The Royal Trust Company, Montreal—Trustee.

Denominations: $1000 and $500

The Company agrees to pay normal Canadian or United States Income Tax, up to and including 4%

CAPITALIZATION	AUTHORIZED	OUTSTANDING
Common Shares (paying 10%)	$4,500,000	$4,500,000
7% Preferred Shares	1,500,000	1,000,000
6% First (Closed) Mortgage Debentures	2,500,000	2,028,500
6% General Mortgage Bonds	Closed Mortgage	4,000,000

SECURITY FOR BONDS

Bonds will be secured, subject only to lien of the First Mortgage 6% Debentures, by direct mortgage upon freehold and leasehold lands and water powers—with minor exceptions—and upon all plants and properties now owned or hereafter acquired by Riordon Pulp & Paper Company, Limited. They are further to be secured by direct lien upon 60% of the Capital Stock of the Ticonderoga Pulp and Paper Company, and not less than $5,000,000 par value of Preferred Shares and a majority of the Common Shares of the Kipawa Company, Limited, and by a floating charge on all other assets and properties of the Riordon Company.

KIPAWA COMPANY

The Riordon Pulp & Paper Company, Limited, will acquire from proceeds of this financing, together with other funds provided by the Company, not less than $5,000,000 par value of 7% Cumulative Preferred Shares, and a majority of Common Shares of the Kipawa Company, Limited.

The Kipawa Company, Limited, now has under construction at Temiskaming, Quebec, a Bleached Sulphite Pulp Mill, with a capacity of 30,000 tons of Bleached Sulphite Pulp a year; together with electrolytic plant, bleachery, acid plant, etc. The Company is also installing the initial unit, with a capacity of 3,600 h.p., of a hydro-electric development with an ultimate capacity of over 25,000 h.p. The Kipawa plant, it is expected, will be in operation December, 1919.

RIORDON COMPANY

Complete prospectus, copies of which will be furnished on request, contains a letter from Mr. Carl Riordon, Managing Director of the Company, from which we summarize as follows:

RIORDON COMPANY is one of the oldest and largest producers in America of Unbleached Sulphite Pulp for sale. The business has been in successful operation for over 60 years.

PULP WOOD AVAILABLE, 3,000,000 cords, together with wood purchased from neighbouring districts, estimated to be sufficient for many years' operation at present capacity. Arrangements have been made to largely increase Company's wood supply.

COMPANY'S (and Subsidiaries) ANNUAL OUTPUT, adding output Kipawa plant available December of this year, 119,000 tons Bleached and Easy Bleaching Sulphite Pulp, Soda Pulp, Book Papers; and 20 000,000 feet b.m. lumber.

NET CURRENT ASSETS, as at 30th November, 1918, after deducting all Current Liabilities, amounted to $2,250,491 exclusive of proceeds of this issue—equivalent to over 37% of Bonds outstanding.

PROPERTY VALUES by which these Bonds will be secured, show net value of the properties of the Riordon Company, and its net equity in the companies which it controls, to be in excess of $15,000,000 or two and one-half times the total bonded debt of the Company, including this issue.

EARNINGS. Average net earnings of the Company for the three years 1916-1918 inclusive, before deducting depreciation and interest, amounted to over $1,600,000, or over four times interest on all Bonds now outstanding. For the past six years, 1913-1918, inclusive, before deducting depreciation and interest, average net earnings amounted to more than $1,000,000, or about three times the interest on all Bonds now outstanding.

Based on normal prices and costs for pulp and normal value of power, it is estimated that the **NET EARNINGS OF KIPAWA COMPANY, LIMITED,** for the year 1920, should be not less than $750,000, which would permit the payment of substantial dividends on the Common Shares of the Company.

Two-thirds of this issue has been sold in the United States. We offer for sale in Canada the unsold portion of the balance at a price of—

97 and Accrued Interest, Yielding 6.40%
Carrying a Bonus of 15% of Kipawa Company Common Shares
(1½ shares Stock with each $1,000 of Bonds)

Payable as follows: *20% of the par value on application.*
40% of the par value on April 1, 1919.
37% of the par value on May 1, 1919.

Common Stock Bonus will be adjusted to even amount by purchase or sale of fractional share at the rate of $25 per share.

The right is reserved to allot a portion only of the amount applied for. If only a portion of the amount applied for be allotted, the balance of the deposit will be applied towards payment of subsequent instalments. Payments may be anticipated in whole or in part at any time. Interest will be allowed on payments at the rate of 6% per annum. Accrued interest will be adjusted upon final payment.

Application may be made on the accompanying form.

ROYAL SECURITIES CORPORATION
LIMITED
164 ST. JAMES STREET, MONTREAL 58 KING STREET WEST, TORONTO

APPLICATION FORM

ROYAL SECURITIES CORPORATION, LIMITED

....
Address either Montreal or Toronto Office

Sirs: I/we hereby apply for $.................. par value Riordon Pulp & Paper Company Limited, 6% Ten-Year General (Closed) Mortgage Sinking Fund Bonds, due January 1st, 1929, and agree to pay for same, or any less amount that may be allotted to me/us, in accordance with the terms of your prospectus dated February 26th, 1919. I/we will BUY SELL fractional share of Kipawa Company Common Stock at rate of $25 per share.

Cheque to the order of Royal Securities Corporation, Limited, for the amount payable on application ($100 for each $500 par value applied for) should accompany this form.

32

Name (in full)..
(Mr., Mrs. or Miss)
Address (in full)..
Date..

HOLDEN IS STILL FOR REPEAL OF BRITISH BANK ACT

Too Much Red Tape in Issuing of Current Money

CHANGES SUGGESTED

Would Favor Authority From Bank of England to Issue Notes on Security of Gold and Bills of Exchange

LONDON.—At the annual meeting of the London Joint City and Midland Bank, Sir Edward Holden, the chairman, delivered his long expected criticism of the Cunliffe committee's rency report. Having alluded to the restrictive conditions of the Bank Charter Act of 1844, its effect in the critical time of the outbreak of war, and to the decision of the Government to issue their own currency notes in preference to permitting the Bank of England to go outside its charter, he emphasized the argument he had advanced at the previous annual meeting, namely, that the Bank Act should be repealed, that the Bank of England should be authorized to issue notes on the security of gold and bills of exchange, that the two departments of the bank should be amalgamated and that the whole of the liabilities and assets of the bank should be shown in one balance sheet. This argument, he said, held good at the present time. If there should be any difficulty about the issue of Bank of England notes, then undoubtedly more currency notes would have to be issued. Bankers had a very great work before them to provide the means for the reconstruction of the trade and business of the country, and they should not be left in doubt, in other words they ought to know definitely that in case of necessity Bank of England notes or currency notes would be provided.

"Serious for the Nation"

As we stood at the present time, before the Bank of England could issue notes against securities, it would have to obtain the sanction of the treasury. The sanction of the treasury, or of the Government, had been given for this purpose on four occasions, and on each occasion a stipulation had been made that the bank rate should be put up to 10 per cent., or thereabouts; so the presumption was that if the Bank of England should receive treasury sanction to issue notes at the present time against securities, a similar condition would be attached, namely, an increase in the bank rate to 10 per cent. To adopt such a method when the country was reconstructing its trade and industry, and when manufacturers and others were requiring increased accommodation, would lead to undue restriction of credit, would impede reconstruction, and would curtail our exports, just at a time when we were anxious to export more than we had ever exported before. The result might be serious for the nation. No proper discrimination was made between the case when additional currency was needed to meet requirements and the case when additional currency was needed in consequence of over-trading. We were in the same position in a smaller degree with regard to our currency notes as the Reichsbank was with regard to its bank notes. We had in circulation over 300 millions of currency notes, which, except for a comparatively small amount in gold, had been issued against securities. There was no automatic system for the redemption of currency notes as would be the case if they were issued against bills of exchange, which in due course would have to be paid off.

Committee's Recommendations

The result of the committee's deliberations had been to recommend that the Bank of England should continue to work under the Bank Act as heretofore, which meant that we were to undergo in the future the same experiences as we had undergone in the past. It seemed to him (the chairman) that the method adopted in the American Federal Reserve Bank was more worthy of recommendation, and that notes should not be issued against Government securities, which might or might not be paid off, but against bills of exchange which must be met at their due date. One of the experiences we had undergone since the Bank Act came into operation had been that the bank rate had been altered about 473 times, whereas in France and Germany, during the same period, the rates of their central banks had been altered 123 and 212 times respectively. These alterations in the bank rate adversely affected the position of our trading community, and might have been avoided on some occasions under a better system.

Bank of England's Limitations

In a large measure the alterations in the Bank of England rate were due to the division of the bank into two departments, one result of which was that the reserve in the banking department had always been smaller than it would have been if the two departments had been consolidated. A small reserve was necessarily very sensitive, as even a small attack upon it might bring it below the margin of safety, and thus cause a rise in the bank rate. Taking the bank return for December 19th as an illustration, the chairman pointed out that the notes issued from the issue department found their way in to the reserve of the banking department and into circulation, that is, into the hands of the people and into the tills of the banks. In ordinary times they were fairly equally divided but at the present time the notes issued amounted to 96 millions, of which 69 millions were in circulation and only 27 millions in the reserve. This reserve in the banking department was the pivot on which the price for money depended. The criteria, which really governed the rate for money, were the Bank of England reserve and the ratio of that reserve to the liabilities. If the reserve fell and the ratio were reduced unduly, then the bank rate would go up and money would become dearer. If the reserve and the ratio went up, then the bank rate would be reduced and money would become cheaper. Seeing, then, that the price of money was dependent upon the reserve and its ratio, it was of the greatest importance that the construction of the bank should not be on lines calculated to make the reserve too sensitive; in other words, we wanted the reserve to be continuously as high as possible.

Its Effects on Trade

Our traders are in competition with traders of other countries, and if the banks of other countries worked with fluctuations in the bank rate than was the case in this country, our traders were placed at a disadvantage. The constitution of the bank, therefore, which is restricted in its working by the Bank Act, required to be altered in such a way that the reserve would be larger, the ratio higher, and the fluctuations in the rate fewer. The chairman illustrated his argument by showing what would be the ratio of gold to liabilities if the two departments of the bank were amalgamated. In that event the ratio of gold to notes would be higher by 33.2 per cent. than under the divided plan, and the ratio of the reserve to liabilities would be twice as large. A careful consideration of the working of the bank under both systems of presenting the accounts had convinced him that the position of the bank was weakened by having two departments, that the raising of the rate, when such a step was necessary, would be just as effective under the new system as under the old, and that fluctuations in the rate would be fewer in number and less severe. If the two departments were amalgamated the ratio of reserve to liabilities would be 32.5 per cent. (against 16.3 per cent. on December 19th).

Capital Requirements

Having answered the objections to the amalgamation of Bank of England departments embodied in the Currency Committee's report, the chairman dealt with another of the committee's recommendations, which touched very closely the present condition of affairs and the reconstruction which had to be brought about in our trading concerns. All admitted that capital would be required to reconvert those concerns which had been used for the manufacture of munitions of war, and that large resources would be required to renew and bring into a state of efficiency machinery and plant which had been allowed to deteriorate. Large sums of money would also be required for the purchase of raw materials and the extensions of business. All agreed that it was necessary to increase our exports, but before we could do this the reconstruction of our industries was necessary. If the industries were not to look for accommodation to the bankers who had gathered up all resources of the country, then the reconstruction and reconversion which were necessary could not take place. The committee stated that "the shortage of real capital cannot be met by the creation of fresh purchasing power in the form of bank advances to manufacturers under Government guarantee or otherwise." Did this mean that the industries of our country were not to seek accommodation from the banks for the purposes indicated? If they were to wait for the savings of the people, which must be accumulated slowly out of the profits of employers and out of wages, it appeared to him that our industries would be left to languish.

"An Internal Drain"

The speaker next criticized the committee's recommendation that during the period of transition additional currency issues should be made against Bank of England notes taken from the reserve in the banking department. This, he thought, might lead to the serious depletion of the reserve. Objection was also urged against the committee's proposal that 28½ millions of gold held as cover against the currency notes should be held in the Bank of England, and that Bank of England notes should be substituted for it. If that meant that bank notes were to be used in place of gold in case currency notes were presented for payment, it would amount practically to a breaking of the act, which provided that the latter shall be paid at the Bank of England in gold. If, therefore, the currency note gold were paid into the Bank of England and currency notes were presented for payment in gold at a time when the gold in the bank had been reduced by foreign demands, we should have an internal drain following an external drain for gold. It seemed to him that it would be much better to go on as we were than to adopt the recommendations of the committee.

Committee and Joint Stock Banks

Coming to a question in the report which closely affected the joint stock banks, the committee made the suggestion that banks should hold a line of treasury bills and short-dated Government securities, holding out the inducement that such securities might be discounted at the bank in case of pressure. This, in his opinion, was an unwise suggestion. We had recently had a great change in the condition of the joint stock banks, as a result of which they had become much larger and more powerful. For this reason, he thought, they ought to keep sufficient reserves to make themselves independent of any need for discounting at the Bank of England in times of crisis. If the recommendation of the committee were carried out, and a crisis should occur, there was no doubt that very large amounts of bills would be required to be discounted at the bank, and the reserve would be reduced as at the beginning of the war. In his opinion, the policy of the joint stock banks ought to be to make themselves independent of the Bank of England by maintaining large reserves in their own value, thus removing the necessity for going to the bank for assistance.

The committee also recommended that the gold, which the joint stock banks held in their vaults, should be taken away from them and handed to the Bank of England. If this were done, the position of the joint stock banks would be weakened in the eyes of the public and of foreign bankers. It was their duty to protect their depositors with reserves of the very best quality, and to take away the gold of the joint stock banks, which had proved so useful during the war, was to take away from the depositors of the joint stock banks the best reserve a bank could hold. This transfer of the gold would not improve the Bank of England's position, while that of the joint stock banks would be greatly depreciated.

Protecting Exchanges

It was alleged that the gold of the joint stock banks and the gold from the currency note department were required by the Bank of England in order to protect the foreign exchanges, but there were other means which could be adopted to support the exchanges. In course of time, when credit had been properly re-established and prices had fallen, the amount of currency notes would be greatly reduced, perhaps to something like 100 to 120 millions, or an amount corresponding to the amount of gold which used to circulate. He would suggest, therefore, that one hundred per cent. of gold should be accumulated and held as a reserve by the Government against the currency notes in circulation, thus making the currency note always convertible into gold. The gold thus held would not be so liable to attack as the gold in the Bank of England, and would always be available as a second reserve. In addition, the joint stock banks should continue to hold gold in their reserves in increased amounts. We should thus have three reserves of gold; one reserve in the Bank of England, another held against the currency note, and a third reserve in the vaults of the joint stock banks, thus giving three reserves acting as one reserve for protection of the exchanges. He felt satisfied that this plan had only to be tried to prove successful.

GILLETTE RAZOR CO.

Output Less But Unfilled Orders Indicate Active Season

BOSTON.—Although its enormous shipments to the United States armed forces are at an end, it is understood Gillette Safety Razor Co. has on hand unfilled orders aggregating about 10,400,000 dozens of extra blades, in addition to several hundred thousand razors.

Last year Gillette sold 4,580,987 razor sets and 8,733,281 dozens extra blades. As nearly all the razor sets included a dozen blades, this means that total blade output was about 13,300,000 dozens. Approximately three-quarters of the razors and one-third of the blades went to the army and navy. The company was nevertheless able to increase deliveries to the regular domestic trade to the extent of 45 per cent. in razors and 11 per cent. in extra blades.

Surprise has been expressed in view of the 318 per cent. increase over 1917 in razor sales and 2 per cent. gain in extra blade sales that profits, before taxes, increased only 14 per cent. over the previous year, or from $4,603,782 to $5,252,136. The explanation is that in dealing with one's Government in time of war it is not desirable to exact the customary margin of profit. Gillette met the ideas of Government representatives regarding prices and deliveries, and as a result secured three-quarters of the Government business and an amount of advertising which would have consumed years in time and vast sums in money to secure in the usual way. The Gillette people figure that men who use their razor solely buy an average of 2½ to 3 dozen blades a year. Probably 95 per cent. of the 3,479,472 razors supplied to the army and navy went to young men who had never before used a Gillette. In other words, there was created by war orders alone a potential demand for 10,000,000 dozen blades a year.

Total membership of peace congress will be between 100 and 120, who will represent twenty-seven nations. Great Britain, United States, France and Italy have been each allotted five delegates, and the other countries from one to four according to size.

FINANCE DEPARTMENT

DOMINION INCOME WAR TAX ACT

TO WHOM APPLICABLE.

Every person who in 1918 resided or ordinarily resided in Canada or was employed in Canada or carried on business in Canada, includin corporations and joint stock companies

WHO SHOULD FILE RETURNS.

1 Every unmarried person or widow or widower, without dependent children under twenty-one years of age, who during calendar year 1918 received or earned $1,000 or more.
2 All other individuals who during calendar year 1918 received or earned $2,000 or more.
3 Every corporation and joint stock company whose profits exceeded $3,000, during the fiscal year ended in 1918.

FORMS TO BE FILLED IN AND FILED

FORM T1. By individuals, other than farmers and ranchers
FORM T1A. By farmers and ranchers.
FORM T2. By corporations and joint stock companies.
FORM T3. By trustees, executors, administrators of estates and assignees
FORM T4. By employers to make return of the names of all directors officials, agents or other employees to whom was paid $1,000 or more in salaries, bonuses, commission or other remuneration during the calendar year 1918
FORM T5. By corporations, joint stock companies, associations and syndicates to make return of all dividends and bonuses paid to shareholders and members during 1918.
Individuals comprising partnerships must file returns in their individual capacity.

GENERAL INFORMATION.

All returns must be filed IN DUPLICATE.

Forms may be obtained from the Inspectors and Assistant Inspectors of Taxation and from the Postmasters at all leading centres.
Returns should be filed immediately.

Postage must be prepaid on letters and other documents forwarded by mail to Inspectors of Taxation.

Address of Inspector of Taxation for this District

TORONTO DISTRICT.
Inspector of Taxation,
59 Victoria Street, TORONTO, Ont.

TENDERS INVITED

For Purchase of

British Forgings, Limited

Toronto, Canada

(Owned by Imperial Munitions Board)

The Largest Electric Steel Plant in the World

Plant in Part Comprises:

Scrap Metal Shed—600' x 80', equipped with Travelling Cranes, including Electric Magnets.
Melting House—600' x 100', equipped with 10 6-ton Herault Electric Furnaces, with 5 Travelling Cranes and auxiliary equipment.
Forge Shop—300' x 120', contains 6 Presses and complete oil furnace equipment.
Power House—80' x 140', equipped with Accumulators, Pumps and Auxiliary Machinery.
Site—130 acres, leased from Toronto Harbor Commission.
Dockage—5,000 feet of concrete dock, accommodating vessels of 24-ft. draught.
Railways—Grand Trunk service at present; in near future service from Canadian Pacific and Canadian Northern Railway. No interswitching charges.
Power—23,000 H.-P. available at $17.50 per H.-P. per annum, with long-term power contract.

Inspection invited. Write for particulars to

R. HOME SMITH

Agent, Imperial Munitions Board
18 KING STREET WEST, TORONTO, ONT.
Phone Adelaide 1590.

Why You Should Invest Your Funds in Mortgage Corporation 5½ per cent. Debentures

The Standard Reliance Mortgage Corporation is registered under the Loan Companies' Act of Ontario, and makes a yearly return of their affairs to the Government, by whom their accounts are published for the information of the public each year.

Mortgage Corporations are one of the classes of financial institutions selected by the Government of Ontario, in which the uninvested funds of Provincial Insurance Companies may be deposited. The others are the Post Office Savings Bank and the Savings Department of Chartered Banks of Canada.

Stocks and Bonds fluctuate in value with the state of the money market and other causes. Thousands of people have invested their savings in these debentures without the loss of one dollar invested.

The debentures are issued in amounts of $100 and upwards. Interest at 5½% is paid in cash on the day it is due.

Write for our booklet about "PROFITS FROM SAVINGS." It explains what these Debentures are and why they are so good a security.

Paid up Capital and Surplus Funds - - $3,362,378.63

STANDARD RELIANCE MORTGAGE CORPORATION
HEAD OFFICE—TORONTO

Branch Offices:
AYR BROCKVILLE CHATHAM
ELMIRA NEW HAMBURG WOODSTOCK

Sale of Pulpwood Lands in Northern Ontario

The Lake Superior Corporation and Algoma Eastern Railway Company are open to negotiate for the disposal of certain lands

Approximately 682,000 Acres

situated for the most part in that section of Northern Ontario known as the Clay Belt, and comprising the Townships of Storey, Langemarck, Dowsley, Nassau, Shetland, Staunton, Orkney, Magladery, Caithness, Rykert, Doherty, Whigham, Coppell, Newton, Dale, McOwen, Frater.

The lands in question are accessible to the Algoma Central, Trans-Continental, Canadian Northern, and Canadian Pacific Railways, and should be of particular interest to pulp and paper makers, also to settlers, in view of their agricultural possibilities.

General information will be furnished and plans exhibited at the office of Mr. Alex. Taylor, secretary of the Lake Superior Corporation, 1428 Bank of Hamilton Building, Toronto, or at the office of Mr. G. A. Montgomery, vice-president of the Algoma Eastern Railway Company, Sault Ste. Marie, Ont.

RAILROAD INCOME AND EXPENSE UNDER U.S. GOVERNMENT

What is Shown by Statement of Director-General Hines

FINANCIAL RESULTS

Net Federal Returns For Year Fell Short of Standard By $202,000,000—Effect of Wage Increases

WASHINGTON.—The financial results of Government operation of railroads are disclosed in a statement issued by Director General Hines showing that the net Federal railroad income for the year fell short of the standard return by $202,135,602. The standard return for the year is given as $890,385,685. The net Federal income was $688,200,083.

Operating revenue increased $853,868,213, or 21.4 per cent. Operating expenses increased $1,130,770,166, or 40.3 per cent. Net operating expenses decreased $276,901,953, or 23.5 per cent. Net Federal income corresponding to standard return guaranteed by the Government decreased $272,292,028 under Government control and operation of the roads, or 28.3 per cent.

Operating Expenses Increase

The statement points out that wage increases had the effect of increasing the 1918 operating expenses by $583,000,000. The full effect of the wage increase was not felt in 1918, as some of the higher wages did not go into effect until late in the year, and the effect of these increased wages for a full year could not be shown by the 1918 figures. There are some who believe these wage increases for the full year 1919 will reach $900,000,000.

"In considering the results for 1918," says the statement of the Direcsary to move freight expeditiously, in mind that that year was almost wholly one of war conditions. It was necessary to move freight expediously, in many cases regardless of cost. Preference had to be given to munitions traffic, and this naturally militated against economies. In addition, the railroads were compelled in many instances to employ inexperienced and inefficient labor, due to the inroads made upon their forces by the demands of the military service.

Statement of Revenues and Expense for 12 Months Ended December 31

	1918.	1917.
Operating rev. ..	$4,842,605,884	$3,988,827,671
Operating ex. ..	3,939,315,122	2,808,544,956
Net operat. ex..	903,380,762	1,180,282,715
Operating ratio.	81.3	70.4
Net Fed. income corres. to stand. return guar. by Government ..	688,200,083	960,492,111

"Standard return for the year $890,335,685, so that the net Federal income for the year fell short of the standard return by $202,135,602.

Result of Wage Increase

"The result of wage increases which were authorized throughout the year had the effect of increasing the 1918 operating expenses by approximately $583,000,000, which represents an increase of about 32 per cent. over what would have been the wages if there had been no increases in 1918. The increased cost of materials also added heavy burdens to operating expenses. The increased cost of locomotive fuel alone was equivalent to adding approximately $125,000,000 to the cost of transportation expenses. In 1918 operating expenses took 81.3 per cent. of operating revenues, compared with 70.4 per cent. in 1917.

"The results of freight train operation 1918, compared with 1917, were:

	1918	1917
Miles of road oper...	228,729	228,633
Rev. and non-rev. ton miles (thousands) .	434,997,928	427,341,924
Loaded freight car miles (thousands) .	14,928,303	15,815,601
Total freight car miles (thousands) .	22,056,329	22,532,507
Freight train miles (thousands)	637,924	654,580
Averages		
Train load	682	653
Car load	29.1	27.0
Per cent. loaded to total car miles......	67.7	70.2

What Comparison Shows

"The figures for the year reflects the results of freight operations during the first year of Federal control, in comparison with those of the last year under private management. In making the comparison, consideration should be given by the severe weather conditions and the traffic congestion of January and February. Notwithstanding the heavy losses during the first two months under Federal control, the summary for the year shows that the 228,729 miles of railroad produced 435,000,000,000 of ton miles in 1918, compared with 427,330,000,000 in 1917, an increase of 7,660,000,000, or 1.8 per cent.

"This increase in traffic was handled with an actual increase in train miles and in loaded car miles. The train miles were 2.5 per cent. less than in 1917, and the loaded car miles were 5.6 per cent. less than in 1917. This was accomplished through an increase of 4.4 per cent. in the train load and 7.8 per cent. in the car load, indicated in the above statement.

"The decrease in the percentage of loaded to total car miles was due principally to the relatively greater proportion of empty car miles as a result of the policy of the United States Railroad Administration to move the empties in solid trains to the regions where they would be needed for prospective traffic, such as grain, needed for war purposes. This policy, while somewhat increasing the empty car mileage, had the favorable result of ameliorating the car shortage and of expediting the movement of traffic.

Increase in Passenger Traffic

"The passenger traffic for the year will show an increase in passengers carried one mile of approximately nine per cent. The complete figures for the twelve months are not yet available. Those for the eleven months ended November 30 show that in that period of 1918 the railroads, under Federal control, carried 39,000,000,000 passengers one mile—an increase of 3,250,000,000 over the corresponding period of 1917. These figures include the movement of troops and other military passenger traffic.

"On account of the elimination of many passenger trains which represented duplicate service, or were otherwise unjustifiable under war conditions, the number of passenger train miles in 1918 was less than in 1917, notwithstanding the increase in passengers carried one mile. The elimination of such duplicate passenger service had much to do with the better freight train performance. The passenger train miles for the entire year are not available, but the statements for November and December indicate that the total passenger train miles in 1918 were approximately nine per cent. less than in 1917."

STERLING TRUSTS INCREASES EARNINGS

Directors Announce Probable Resumption of Dividends During Current Year

Increased business as the result of the removal of its head office to a more central location near the corner of King and Yonge streets has been the experience of the Sterling Trusts Corporation of Toronto in 1918. Net earnings after deducting management expenses, taxes, etc., were $24,004, which compares with $20,198 in 1917 and $16,007 in 1916. Adding the balance of $8,998 brought forward, there was $33,002 for distribution at the end of the year. Of this sum, $25,000 was added to the reserve, bringing that fund up to $100,000, and the balance was carried forward to the credit of loss and gain.

	1918	1917	1916
Net earn.	$24,004	$20,198	$16,007
Bal. forward	8.998	3,800	7.793
	$33,002	$23,998	$23,800
Reserve	$25,000	$15,000	$20,000
Balance	8,002	8,998	3,800
	$33,002	$23,998	$23,800

During the year there was a large expansion in the estates and trusts under administration. These now amount in value to $10,896,204, an increase of $7,404,382. The capital account amounts to $332,570 and the guaranteed trust account to $563,641

The directors state that they now feel, with the reserve fund at $100,000, which is over 20 per cent. of the paid-up capital, and with the improved earnings of the Corporation, that they can safely forecast the payment of dividends to stockholders during the present year Regret is expressed at the death of three prominent directors, E. F. B. Johnston, K.C., the president; Dr. J. T. Gilmour, and Dr. E. Jessop, M.P.P.

POWER FROM WATER

Figures of Development Throughout the Dominion

OTTAWA.—A census of the developed water power in the Dominion just completed by the Dominion Water Power Branch of the Department of the Interior, in co-operation with the Dominion Census Bureau, discloses exceptionally interesting figures. The water power resources of Canada, with their strategic locations adjacent to practically every industrial centre, constitute one of our greatest assets, and it is satisfactory to note that the economic advantages accruing from utilization of these powers for industrial purposes is being fully realized in practice.

The accompanying table analyzes the installed turbine or waterwheel capacity of the Domniion by provinces and by use of power. The returns indicate a total developed water power capacity of 2,305,310 horse-power. This figure is several hundred thousand in excess of any estimate previously published and indicates that Canada's utilization of hydro power is even more marked than had been realized.

Of the total water power developed, 1,727,471 horse-power is installed in central electrical stations, that is to say, in stations developing electrical energy for distribution and sale; 352,214 horse-power is installed in plants owned and operated by pulp and paper companies, and 225,625 horse-power is installed in other miscellaneous manufacturing and general industrial establishments. The foregoing figure for pulp and paper companies does not, however, represent the total amount of water power used in that industry; upwards of 100,000 hydro-electric horse-power in addition is purchased by pulp and paper companies from central electrical stations, making the total hydro power utilized in pulp and paper industry some 450,000 horse-power. If this 100,000 h.p. is added to column 3 it should be subtracted from column 1 to maintain the correct tabular totals.

Returning to the central electrical station total of 1,727,471 horse-power, it is of interest to record that the central stations already constructed throughout the Dominion are designed for a machine installation of 530,000 horse-power in addition to the machinery now installed. Of this amount, the installation of some 270,000 horse-power is at the present time under contemplation in various parts of the Dominion. These figures do not include the 300,000 horse-power Queenston Plant which the Hydraulic Power Commission of Ontario has under construction at Niagara.

BLUE SKY LEGISLATION

Washington Proposes Closer Control Over New Issues

WASHINGTON.—Federal blue sky legislation drafted by the Capital Issues Committee and awaiting approval of Secretary Glass before being submitted to Congress is based on a plan of Government supervision of stock promotion prospectuses to insure accuracy and completeness of their statements, rather than on any attempt to guarantee absolutely against fraud. The administration of the system would be left to some Treasury agency working through the Federal Reserve Board.

Although the Capital Issues Committee draft of legislation, disclosed to-day for the first time, provides that the work be done actually under the name of the Federal Reserve Board, it was said that this provision may be changed, owing to reluctance of the board to exercise such functions, which it feels might weaken its position in general banking affairs.

The proposed system would affect only stock issues and then only when they were interstate transactions. Bonds would not be considered, as officials believe the danger of fraud in connection with bond issues is minimized by the necessity of basing bonds on actual property liens.

Enforcement would be provided by a schedule of fines for every day in which promoters operate without having obtained Government approval of the prospectus.

Scores of reports received by the Capital Issues Committee since it announced its intention of quitting operations indicate that hundreds of promotion schemes of a highly questionable nature have developed to gather great quantities of Liberty bonds in exchange for the speculative securities. Many officials advocate a much more drastic Federal blue sky law than would be the proposed measure.

STEVENS-HEPNER CAPITAL INCREASED

Stevens-Hepner Company, Limited, of Port Elgin, Ontario, have recently taken out supplementary letters patent increasing the capitalization of their company from one hundred and fifty thousand dollars to five hundred thousand dollars. Their business now extends from coast to coast.

The goods manufactured by this firm include household and stable brushes, brooms, also ebony and French ivory toilet brushes.

The Mysterious German "Onions"

On nights when the German air raiders were out, they sent up strange luminous balls behind their lines and anchored them above the clouds—globes of fire which could be seen for forty miles or more. What these "onions" were, or how they were kept in stationary position above the clouds, is still a profound mystery. The Allies never learned anything about them, but the Allied night bombing crews steered their course to the Rhineland by the luminous buoys thus provided.

What is known about the onions is told by Lieut. J. Vernon McKenzie in the course of an article, "Raiding the Rhineland," in MARCH MACLEAN'S. It is an intensely interesting article, telling all about the great reprisal campaign which implanted the fear of war in the German civilian heart.

"No Hope for the Wets"

"Already the temperance forces are lined up to stop any possible break in the prohibition dam," writes J. K. Munro, in discussing what is going to happen at the present session at Ottawa. He predicts that Union Government will hold together, but that the habit it has contracted of promising everything asked is going to make a lively session. He expects:

Dry legislation at the earliest possible moment.
No change in the Divorce Law.
Tariff concessions made to the West.
The moral reform forces in control.

The March number, in fact, is full of live, up-to-the-minute features.
The famous Canadian Ace, Lieut.-Colonel W. A. Bishop is on the cover.

Some of the outstanding articles and stories are:

The Transformation (a new serial)—By Frederic S. Isham.
A Canadian King-maker (the story of Lord Beaverbrook in Britain) — By Maurice Woods.
Fitting in the Returned Soldier—By George Pearson.
The Three Sapphires—By W. A. Fraser.
The Strange Adventure of the Nile Green Roadster—By Arthur Stringer.
Fakers—and Others—By E. Ward Smith.
Lend Me Your Title—By Onoto Watanna.
A Shady Deal—By Archie P. McKishnie.
The City of Lost Laughter—By Mary Josephine Benson.

The Voice of Canada Interpreted

A new department starts in this number given over to summarizing and presenting opinion in Canada on outstanding topics, as reflected in the press. In this issue the department is given over to a careful compilation of opinion on the problems of the returned soldier.

Events of the World in the Remaking

Germany Ready for Trade War
Three-Year Marriages in France
No Solution in Ireland Possible?
Germans Hoped to Raise Ships
Is Czar Still Alive?
Did Dr. Diesel Die?
The Secret British Ferry
The Poison That Didn't
The Problem
The German Spy in Holland
The Mysterious Sinn Fein Leader
Why Harrison Fought Lloyd George
Hun Spies Outwitted
Will Trotzky Hire Huns?
The Achievements of Allenby

Over 65,000 Canadian Families Buy

MACLEAN'S

"CANADA'S NATIONAL MAGAZINE"

MARCH ISSUE *Now On Sale At All News Dealers*

20c PER COPY. $2.00 PER YEAR.

Dealers who have not been handling MACLEAN'S should secure copies at once from their nearest Wholesaler.

If there are no newsdealers in your town, or if your newsdealers cannot supply you, send 20 cents for a sample copy or $2.00 for a whole year's subscription to MACLEAN'S MAGAZINE, 143-153 University Avenue, Toronto, Canada.

SOME PRESENT PROBLEMS PRICE READJUSTMENT

A Period of Business Hesitation is Now Being Experienced

BOLSHEVIK IS BUSY

Finds a Fertile Soil For His Teachings in the Anarchy of Mind Which Rises Naturally From an Empty Stomach

By WM. C. REDFIELD

U.S. Secretary of Commerce, speaking at New York.

We are in a period of business hesitation. A certain amount of unemployment is normal to this season of the year when outdoor work of all kinds is in our Northern States almost impossible. To this the prevailing stagnation of industry contributes and the return of thousands of troops is a third factor in the problem. Unemployment is here, not upon such a scale as we saw in the bad winter of 1907-1908 but enough to make it a subject for serious thought, because the enemies of society are taking advantage of it in our midst to teach their dangerous doctrines.

The Bolshevik is busy and finds a fertile soil for his teachings in the anarchy of mind which, as one of my associates has said, arises naturally from an empty stomach. Strangely enough this situation of unemployment is accompanied by strikes, so that to involuntary unemployment there is added the voluntary kind. We have seen the fruits of these conditions in Seattle, Butte, and elsewhere. The most dangerous part of this period will pass with the opening of the spring, for then employment out of doors opens in many ways and will relax the situation. Before then every effort must be made to restore the normal course of business as speedily as possible. Time is of the very essence of value now and what is to-day done is worth much more than if it be put off until to-morrow.

From the Top, Down? or the Bottom, Up?

Two ways of dealing with the situation are proposed, one from the top down, the other from the bottom up. All commerce rests on individual purchases. The great, imposing fabric of our industry stands upon the basis of what is bought by the individuals composing the nation. If everyone stopped buying there would be no commerce and industry. To the extent they stop buying, commerce and industry slacken. The suggestion has gone forth that, while we must save for taxes, for war loans and because, most important of all, we must not lose the habit of thrift the war has taught us, still there are necessities that everyone must from time to time have. It would be well if these necessities were bought at once, for every such purchase contributes to the demand for goods and so to the demand for making goods and so to the demand for labor. Each of us may do a modest part in this way. It may mean a little sacrifice here and there in paying at the moment a somewhat higher price than we might pay a month or two later but we have become accustomed to sacrifice for the country's sake and this suggestion is made for the sake of the country. "Buy only what you need but buy it now," seems good patriotism.

Interests to Discuss Prices

On the other hand, large general business transactions await confidence in a substantial, stable market. Men hesitate to make important commitments for the future when prices are dropping. It has been proposed by business men and employers of large experience that the Government should make an effort, through a volunteer committee, to call together the representatives of capital and labor in our industries and discuss frankly with them what can be done in the way of bringing about promptly the reduced prices which all alike expect will before long prevail. This is purely a matter of consent, not one of authority. It is not in discord with economic law. It merely seeks that men shall agree to do that thing soon which economic law requires sooner or later. It is not the price fixing. It is voluntary without any element of compulsion. The proposal has the approval of the Treasury Department, the War Trade Board, representatives of the Federal Reserve Board, and the War Finance Corporation and thus far has been approved by every man of affairs and of finance to whom it has been presented.

NOVA SCOTIA SAVINGS

Old Maritime Company Presents Annual Statement

By Resident Representative

Halifax.—The annual financial statement of the Novia Scotia Savings, Loan and Building Society is out. This society has been in operation in Halifax for 69 years and the meeting of members was to be held on Thursday of this week. The rest account was increased during the year by $15,470 and now amounts to $174,285. Subscriptions on all shares to the end of January amounted to $592,238. The deposits account was $149,139. Advances to stockholders on mortgages were $369,898 and withdrawal of shares, including bonuses, $186,252. The cash balance in bank is set down at $45,468. The liabilities and assets total $1,736,255. The balances of advances and loans are given as $1,682,510.

EARNINGS, PROFITS SHOW LITTLE CHANGE

Figures For 1918 of People's Loan & Savings Corporation Approximate Those of 1917

There was practically no change in the earnings and net profits of the People's Loan and Savings Corporation for 1918 as compared with the previout year. In 1917 there was a considerable increase in gross earnings, but a decline in profits as a result of the conditions prevailing in the mortgage field. The 1918 gross earnings were $65,105 compared with $65,061 in 1917 and net profits of $31,625 compared with $31,644 in the previous year. The dividend rate having been reduced from 6 to 5 per cent. the distribution took $24,111 as compared with $28,695 in the previous year. There was thus available for reserves $5,000 in addition to $354 written off, while the balance was increased from $949 to $2,149. Following are comparative figures of the earnings statement for the past three years:

	1918	1917	1916
Gross Earn.	$65,105	$65,061	$58,277
Net profits	31,625	31,644	32,883
Distribution:—			
Dividends	$24,111	$28,695	$28,094
Reserves	5,000	2,000	3,000
Balance	2,149	949	1,789
Written off	364	......	......
	$31,625	$31,644	$32,883

Following are features of the company's earnings record for the past seven years:

Year.	Paid-up Capital	Profits.	Div.	% av. Cap.	*Earn. Rate.
1918	$482,237	$31,625	5	6.6	5.9
1917	478,246	31,644	6	6.7	6.0
1916	474,394	32,883	6	7.0	6.6
1915	463,621	30,742	6	6.7	6.1
1914	451,873	29,877	6	6.7	6.1
1913	438,238	27,240	6	6.3	5.8
1912	418,300	27,776	6	6.8	6.3

*Av. capital, reserve and balance of profit and loss at beginning of year.

The addition of $5,000 to the reserve fund makes a total of $55,000. The balance sheet shows very little change in assets, the figures being $924,519, comparing with $922,008 for 1917. Owing to the large withdrawals for patriotic investment in Victory bonds there was a slight decrease in amount of savings deposits and debentures, the former being down from $236,192 to $233,892 and the latter from $134,866 to $118,477. These changes are reflected in the amount of money out on mortgage, which from $731,569 in 1917 shows a reduction to $696,661 in 1918. On the other hand bond investments have been increased from $22,061 to $47,811 and the item, real estate under agreement, has been enlarged from $20,237 to $32,313. Cash in hand and in bank stands at $35,945, compared with $32,377 a year ago.

Received business of the North American Life in January totalled $1,812,452, the biggest month in the history of the company. Issued business amounted to $1,836,729, comparing with $873,390 in January, 1918.

ALLIS-CHALMERS CO.

Business and Earnings Have Been at Highest Level

NEW YORK.—Business and earning of Allis-Chalmers Manufacturing Co. for eleven months ended November 31, 1918, indicate that last year will prove to have been the largest in the company's history.

In eleven months deliveries amounted to $31,434,110, more than $5,000,000 in excess of the full twelve months of 1917, the previous record year. In the same period net profits, after generous allowance for Federal taxes, was $4,996,892, almost $1,000,000 more than the full year of 1917.

The following table compares the 11 months' operations with the full years of 1917 and 1916:

	11 mos. 1918	1917	1916
Sales billed.	$31,434,110	$26,129,317	$19,440,509
Net profits	9,135,892	5,308,790	3,165,020
Tax res.	4,139,000	1,298,300	....
Balance	4,996,892	4,010,490	3,165,020
$ per share on pref...	30.28	24.74	19.18

The company pays $7 a share in regular dividends on the preferred and $3 a share toward the liquidation of back dividends, making $10 a share paid on the preferred in 1918 and leaving 4¾ per cent. accumulated on that issue. The $10 dividend required $1,650,000, and after deducting this from the $4,996,892 balance after taxes, there remained $3,346,892 for the $26,000,000 common stock, or $13.10 a share on that issue. On this basis the twelve months' earnings are estimated to have resulted in $14.63 a share for the common after taxes and $10 a share on the preferred.

S. H. Chapman, president of the Ontario Wind Engine & Pump Company, Toronto, for 25 years, has severed his active connection with that firm and becomes president of the Hurley Machine Co., Ltd., 413 Yonge St., Toronto.

CROWN TRUST CO. HAS GOOD REPORT

Changes on Board Announced at This Week's Annual Meeting in Montreal

The Crown Trust Company, of Montreal, held its tenth annual meeting on Tuesday of this week. Colonel Gear, the president, presided and a considerable number of shareholders were present. The company reported a satisfactory year. Profits amounted to $34,754, which added to the balance at December 31, 1917, of $50,348, produced $85,101 for distribution. After paying dividends of $30,000, a balance of $55,101 was carried forward to surplus account.

Total assets were shown to amount to $3,054,567, of which $2,362,424 represented estates, trusts, agency accounts, funds and investments, and $692,143, capital account. In both cases good gains have taken place, as indicated by the following table:

	Capital Account	Estates Trusts, etc.	Total
1918	$692,143	$2,362,424	$3,054,567
1917	679,885	2,157,944	2,837,829
1916	675,271	1,931,096	2,606,367
1915	698,203	1,739,882	2,438,085
1914	555,572	1,908,186	2,463,758

The following directors were elected: Colonel William I. Gear, Major-General Sir John W. Carson, C.B.; S. H. Ewing, Lieut.-Colonel Gerald W. Birks, H. B. Henwood, W. W. Hutchison, Arthur Lyman, Alex. MacLaurin, Colonel John McKergow, E. C. Pratt, Brig.-General F. S. Meighen, C.M.G.; R. W. Reford, Brig.-General Jas. G. Ross, C.M.G.; John W. Ross, F. N. Southam, Lorne C. Webster, and Major-General E. W. Wilson, C.M.G.

Since the last annual meeting, Lieut.-Colonel Gerald W. Birks, Arthur Lyman and John W. Ross have been added to the Board, and a new director elected at this week's meeting was E. C. Pratt, general manager of Molsons Bank.

At a subsequent meeting of the Board, Colonel William I. Gear was elected president; Sir John W. Carson, C.B., and S. H. Ewing, vice-presidents, and Messrs. Gear, Carson, Henwood, Hutchison and McKergow were elected as an executive committee.

FOREIGN ORDERS

U.S. Equipment Manufacturers Looking for Big Business

NEW YORK.—Equipment interests are almost unanimously optimistic regarding the outlook for foreign demand for railroad motive power equipment. At present there is a heavy inquiry in the market for locomotives for shipment abroad, but buyers are adopting a waiting attitude in the hope of securing lower quotations after the readjustment in the steel and other markets.

It is not believed, however, that they will wait long. In the first place it is an open secret that prices offered them are substantially below those recently prevailing, and that they could save little by waiting unless a sharper break than is expected occurs in the raw material and labor markets. In the second place it is claimed that, in many instances at least, their needs are pressing and they cannot afford to put off purchasing too long.

Until the early months of the war the United States had never figured largely in world markets for railroad equipment. A desultory business was done occasionally, principally by American Locomotive Co., but American companies generally never had a real grip on any foreign market. The war, diverting equipment to munitions shops in the principal European countries, opened world markets wide to our manufacturers.

THE
STERLING TRUSTS CORPORATION

Balance Sheet as at 31st December, 1918

ASSETS

Capital Account		
Mortgages and Other Securities		$ 332,570.96
Advances to Estates and Trusts held under Administration		192,679.20
Fees and Commissions Earned not yet paid and Accounts Receivable	$ 45,068.41	
Less Reserve	2,000.00	
		43,068.41
Real Estate held under Foreclosure		2,278.43
Office Furniture and Fixtures		5,792.47
Cash on Hand and in Banks		21,719.37
		$ 598,108.84
Guaranteed Trust Account		
Investments	$538,706.86	
Cash on Hand and in Banks	24,934.65	
		563,641.51
Estates and Agencies		
Assets on Hand for Realization	$10,828,877.43	
Cash on Hand and in Banks	67,326.80	
		10,896,204.23
		$12,057,954.58

LIABILITIES

Capital Account		
Capital Stock—		
Subscribed	$1,000,000.00	
Less Unpaid	519,559.33	
Paid Up		$ 480,440.67
Reserve Account		100,000.00
Accounts Payable		9,665.32
Loss and Gain Account		8,002.85
		$ 598,108.84
Guaranteed Trust Account		
Trust Investment Receipts Issued		563,641.51
Estates and Agencies		
Estates, Trust and Agency Accounts		10,896,204.23
		$12,057,954.58

We hereby certify that to the best of our knowledge and belief, the above statement is correct and shows truly and clearly the financial condition of the Company's affairs.

Auditors:
A. C. NEFF & CO., C.A., Toronto.
G. C. ROOKE, C.A., Regina.

W. H. WARDROPE, Vice-President.
H. WADDINGTON, Vice-President.
CHAS. BAUCKHAM, Managing Director.

DIRECTORS

W. H. Wardrope, K.C., Hamilton
John Firstbrook, Toronto
H. Waddington, Toronto
N. H. Stevens, Chatham
Nicol Jeffrey, Guelph
J. W. Scott, Listowel
A. W. Briggs, K.C., Toronto
J. E. Martin, Minneapolis
J. C. Elliott, M.P.P., Glencoe
Gideon Grant, Toronto
J. A. Walker, K.C., Chatham
J. A. Cross, K.C., M.P.P., Regina
F. C. L. Jones, Toronto
Norman Sommerville, Toronto
W. J. Sheppard, Waubaushene
F. B. Hayes, Toronto
W. A. Boys, K.C., M.P., Barrie
E. D. McCallum, Regina
Geo. H. Bradshaw, Portland, Ore.
Chas. Bauckham, Toronto

Branch: Regina, Sask.

HEAD OFFICE · 12 KING ST. EAST · TORONTO

New Issue

$7,300,000

Five-year—6½% Secured Gold Bonds

OF THE

MONTREAL TRAMWAYS AND POWER COMPANY, LIMITED

(Controlling by stock ownership the Montreal Tramways Company)

Dated 1st March 1919 Due 1st March 1924

Principal and interest payable in gold coin at the option of the bearer (or of the registered holder) at Montreal or New York.

Interest payable semi-annually, May 1st and November 1st.

DENOMINATIONS :—$100.—$500. and $1.000.

Bonds are subject to redemption in whole or in part, at 101 and interest, upon 30 days notice, on 1st of November 1921 and on any subsequent interest date.

TRUSTEE :—THE MONTREAL TRUST COMPANY, Montreal.

Legality :—Messrs Brown, Montgomery & McMichael and Messrs Béique & Béique, Solicitors, Montreal, have passed upon the legality of this issue.

Trust Deeds have been passed before Me R. Faribault, N.P., Montreal.

ATTRACTIVE INVESTMENT

—The bonds which we are offering are guaranteed specifically by securities of the Montreal Tramways Company operating under the terms of a franchise granted to the Company by the City of Montreal. This franchise which was ratified by the Legislative Assembly of the Parliament of Quebec, grants to the Company an absolute monopoly for the term of thirty-five years.

—During that time the Company is entitled to divert from its gross receipts an annual fixed amount which is sufficient to meet the interest on its bonds and its debenture stock and to pay a dividend of 10% on its common stock.

—This amount, which according to the terms of the franchise, is fixed at $2,177,177.10, has **absolute priority** on the annual amount of $500,000. which the City of Montreal is entitled to for the rental of its streets.

—An independent administrative commission has also been formed for the purpose of looking after the operation of the franchise and it has the power and the obligation to raise the rate of the fares in case the gross receipts should not be sufficient to meet the fixed charges hereinabove mentioned.

—**We consider that the present issue is an exceptional investment from the point of view of Income and Security.**

Price : Par and Accrued Interest

The Bonds will be ready for delivery on or about the first of March 1919

For further particulars and application forms, apply to

RENE-T. LECLERC
INVESTMENT BANKER
160 St. James St., Montreal,
(ESTABLISHED 1901)

VERSAILLES, VIDRICAIRE, BOULAIS, Limited
MONTREAL 90 St. James St.
QUEBEC 198 St. John St.

HANSON BROS
INVESTMENT BANKERS
164 St. James St., Montreal.
(ESTABLISHED [illegible])

L. G. BEAUBIEN & CO
Members Montreal Stock Exchange
MONTREAL 50 Notre-Dame W.
QUEBEC 70 St. Peter St.

THE MONTREAL SECURITIES CORPORATION, Limited
"DOMINION EXPRESS" BLDG. MONTREAL

CREDIT CANADIEN, Incorporated
FINANCIAL AGENTS
99 St. James St., Montreal.

BEAUSOLEIL, LIMITED
FINANCIAL AGENTS
112 St. James St., Montreal.

AND TO ALL BRANCHES OF THE
BANQUE D'HOCHELAGA
ACTING ON BEHALF OF THE MEMBERS OF THE UNDERWRITING SYNDICATE.